

Management's Discussion and Analysis

1.	Overall Financial Performance	6
1.1	Consolidated Results of Operations	6
1.2	Consolidated Other Business Matters	14
2.	Results of Reportable Operating Segments	15
2.1	Loblaw Operating Results	15
2.2	Choice Properties Operating Results	18
3.	Liquidity and Capital Resources	20
3.1	Cash Flows	20
3.2	Liquidity	22
3.3	Components of Total Debt	24
3.4	Financial Condition	24
3.5	Credit Ratings	24
3.6	Dividends and Share Repurchases	25
3.7	Off-Balance Sheet Arrangements	25
4.	Quarterly Results of Operations	26
5.	Internal Control Over Financial Reporting	27
6.	Enterprise Risks and Risk Management	27
7.	Outlook	28
8.	Non-GAAP and Other Financial Measures	29
8.1	Non-GAAP and Other Financial Measures - Selected Comparative Reconciliation	41
9.	Forward-Looking Statements	43
10.	Additional Information	44

Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") for George Weston Limited ("GWL" or the "Company") should be read in conjunction with the Company's second quarter 2025 unaudited interim period condensed consolidated financial statements and the accompanying notes ("interim financial statements") of this Quarterly Report, the audited annual consolidated financial statements and the accompanying notes for the year ended December 31, 2024 and the related annual MD&A included in the Company's 2024 Annual Report.

The Company's second quarter 2025 interim financial statements are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board. These interim financial statements include the accounts of the Company and other entities that the Company controls and are reported in Canadian dollars, except where otherwise noted.

Under International Financial Reporting Standards ("IFRS Accounting Standards" or "GAAP"), certain expenses and income must be recognized that are not necessarily reflective of the Company's underlying operating performance. Non-GAAP and other financial measures exclude the impact of certain items and are used internally when analyzing consolidated and segment underlying operating performance. These non-GAAP and other financial measures are also helpful in assessing underlying operating performance on a consistent basis. See Section 8, "Non-GAAP and Other Financial Measures", of this MD&A for more information on the Company's non-GAAP and other financial measures.

The Company operates through its two reportable operating segments: Loblaw Companies Limited ("Loblaw") and Choice Properties Real Estate Investment Trust ("Choice Properties"). The effect of consolidation includes eliminations, intersegment adjustments and other consolidation adjustments. Cash and short-term investments and other investments held by the Company, and all other company level activities that are not allocated to the reportable operating segments, such as net interest expense, corporate activities and administrative costs are included in GWL Corporate. For further details on the effect of consolidation, refer to Section 8, "Non-GAAP and Other Financial Measures", of this MD&A. Loblaw has two reportable operating segments, retail and financial services, with all material operations carried out in Canada. Loblaw's retail segment consists primarily of food retail and drug retail. Loblaw provides Canadians with grocery, pharmacy and healthcare services, other health and beauty products, apparel, general merchandise and financial services. Choice Properties owns, manages and develops a high-quality portfolio of commercial and residential properties across Canada. In this MD&A, unless otherwise indicated, "Consolidated" refers to the consolidated results of GWL including its subsidiaries.

A glossary of terms and ratios used throughout this Quarterly Report can be found beginning on page 157 of the Company's 2024 Annual Report.

This MD&A contains forward-looking statements, which are subject to risks and uncertainties that could cause the Company's actual results to differ materially from the forward-looking statements. For additional information related to forward-looking statements, material assumptions and material risks associated with them, see Section 6, "Enterprise Risks and Risk Management", Section 7, "Outlook" and Section 9, "Forward-Looking Statements" of this MD&A.

The information in this MD&A is current to July 28, 2025, unless otherwise noted.

At a Glance

Key Financial Highlights

As at or for the 12 weeks ended June 14, 2025, June 15, 2024 and December 31, 2024
(\$ millions except where otherwise indicated)

Consolidated

REVENUE	OPERATING INCOME	ADJUSTED EBITDA ⁽¹⁾	ADJUSTED EBITDA MARGIN ⁽¹⁾ (%)
\$14,823	\$1,440	\$1,923	13.0%
+5.2%	+81.1%	+6.5%	+20bps
vs. Q2 2024	vs. Q2 2024	vs. Q2 2024	vs. Q2 2024
NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS	ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS⁽¹⁾	DILUTED NET EARNINGS PER COMMON SHARE (\$)	ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE⁽¹⁾ (\$)
\$258	\$401	\$1.96	\$3.06
-35.5%	+1.8%	-34.0%	+4.4%
vs. Q2 2024	vs. Q2 2024	vs. Q2 2024	vs. Q2 2024

GWL Corporate

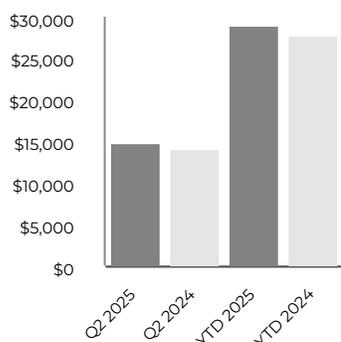
GWL CORPORATE CASH FLOW FROM OPERATING BUSINESSES⁽¹⁾	GWL CORPORATE FREE CASH FLOW⁽¹⁾	QUARTERLY DIVIDENDS DECLARED PER SHARE (\$)	GWL CORPORATE CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS
\$138	\$293	\$0.8938	\$173
+7.0%	+3.9%	+9.0%	-66.9%
vs. Q2 2024	vs. Q2 2024	vs. Q2 2024	vs. Q4 2024

(1) Refer to Section 8, "Non-GAAP and Other Financial Measures", of this MD&A.

Key Performance Indicators

For the 12 weeks and 24 weeks ended June 14, 2025 and June 15, 2024
(\$ millions except where otherwise indicated)

REVENUE

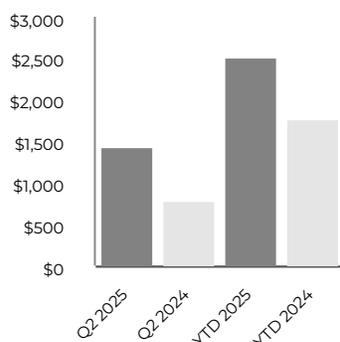


Q2 2025	\$ 14,823	
Q2 2024	\$ 14,091	+5.2%
YTD 2025	\$ 29,108	
YTD 2024	\$ 27,826	+4.6%

How we performed

Revenue increased in the second quarter of 2025 and year-to-date due to growth at Loblaw and Choice Properties.

OPERATING INCOME

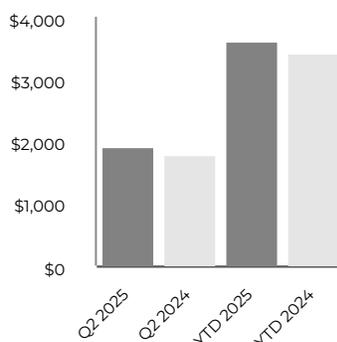


Q2 2025	\$ 1,440	
Q2 2024	\$ 795	+81.1%
YTD 2025	\$ 2,517	
YTD 2024	\$ 1,766	+42.5%

How we performed

Operating income increased in the second quarter of 2025 and year-to-date due to the favourable year-over-year net impact of adjusting items and an improvement in the underlying operating performance of the Company driven by Loblaw and Choice Properties, partially offset by the unfavourable year-over-year impact of GWL Corporate.

ADJUSTED EBITDA⁽¹⁾



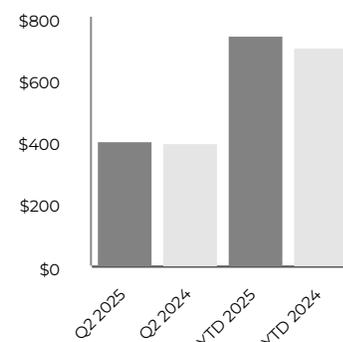
Q2 2025	\$ 1,923	
Q2 2024	\$ 1,806	+6.5%
YTD 2025	\$ 3,613	
YTD 2024	\$ 3,429	+5.4%

How we performed

Adjusted EBITDA⁽¹⁾ increased in the second quarter of 2025 and year-to-date due to an increase at Loblaw and Choice Properties, partially offset by the unfavourable year-over-year impact of GWL Corporate.

Adjusted EBITDA margin⁽¹⁾ in the second quarter of 2025 and year-to-date increased primarily due to a stable Loblaw retail gross profit percentage and a favourable decrease in Loblaw retail selling, general and administrative expenses as a percentage of sales.

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS⁽¹⁾



Q2 2025	\$ 401	
Q2 2024	\$ 394	+1.8%
YTD 2025	\$ 740	
YTD 2024	\$ 706	+4.8%

How we performed

Adjusted net earnings available to common shareholders⁽¹⁾ increased in the second quarter of 2025 and year-to-date due to an increase in the contribution from the publicly traded operating companies⁽¹⁾, partially offset by the unfavourable year-over-year impact of GWL Corporate.

Adjusted diluted net earnings per common share⁽¹⁾ increased in the second quarter of 2025 and year-to-date due to the growth in adjusted net earnings available to common shareholders⁽¹⁾ and lower weighted average common shares due to share repurchases.

ADJUSTED EBITDA MARGIN⁽¹⁾ (%)

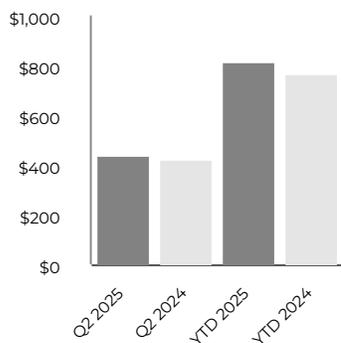
13.0%	+20bps
Q2 2025	vs. Q2 2024
12.4%	+10bps
YTD 2025	vs. 2024

ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE⁽¹⁾ (\$)

\$ 3.06	+4.4%
Q2 2025	vs. Q2 2024
\$ 5.65	+8.2%
YTD 2025	vs. 2024

As at or for the 12 weeks and 24 weeks ended June 14, 2025, June 15, 2024 and December 31, 2024
(\$ millions except where otherwise indicated)

CONTRIBUTION TO ADJUSTED NET EARNINGS⁽¹⁾ FROM THE PUBLICLY TRADED OPERATING COMPANIES⁽¹⁾

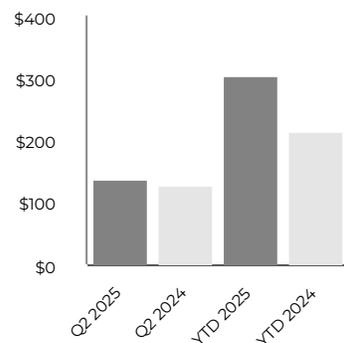


Q2 2025	\$ 443	
Q2 2024	\$ 426	+4.0%
YTD 2025	\$ 820	
YTD 2024	\$ 771	+6.4%

How we performed

Contribution to adjusted net earnings available to common shareholders of the Company⁽¹⁾ from the publicly traded operating companies⁽¹⁾ increased in the second quarter of 2025 and year-to-date due to the improvement in the underlying operating performance of Loblaw and Choice Properties.

GWL CORPORATE CASH FLOW FROM OPERATING BUSINESSES⁽¹⁾

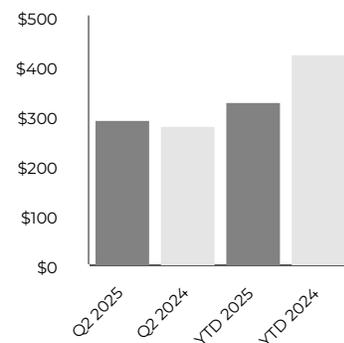


Q2 2025	\$ 138	
Q2 2024	\$ 129	+7.0%
YTD 2025	\$ 305	
YTD 2024	\$ 213	+43.2%

How we performed

GWL Corporate cash flow from operating businesses⁽¹⁾ increased in the second quarter of 2025 and year-to-date primarily driven by higher dividends received from Loblaw.

GWL CORPORATE FREE CASH FLOW⁽¹⁾



Q2 2025	\$ 293	
Q2 2024	\$ 282	+3.9%
YTD 2025	\$ 327	
YTD 2024	\$ 423	-22.7%

How we performed

The increase in GWL Corporate free cash flow⁽¹⁾ in the second quarter of 2025 was primarily due to lower income taxes paid.

The decrease year-to-date was primarily due to the payment of a provision⁽ⁱⁱ⁾, partially offset by higher GWL Corporate cash flow from operating businesses⁽¹⁾.

GWL CORPORATE CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

\$ 173	
Q2 2025	-66.9%
\$ 523	
Q4 2024	

How we performed

The decrease in GWL Corporate cash and cash equivalents and short-term investments since 2024 year end was primarily due to GWL share repurchases and the payment of a provision⁽ⁱⁱ⁾, partially offset by proceeds received from GWL's participation in Loblaw's Normal Course Issuer Bid ("NCIB").

GWL Corporate Free Cash Flow⁽¹⁾

GWL Corporate free cash flow⁽¹⁾ is generated from the dividends received from Loblaw, distributions received from Choice Properties, and proceeds from participation in Loblaw's NCIB, less corporate expenses, interest and income taxes paid.

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Dividends from Loblaw ⁽ⁱⁱⁱ⁾	\$ 81	\$ 73	\$ 163	\$ 73
Distributions from Choice Properties	57	56	142	140
GWL Corporate cash flow from operating businesses⁽¹⁾	\$ 138	\$ 129	\$ 305	\$ 213
Proceeds from participation in Loblaw's NCIB	193	218	402	372
GWL Corporate, financing, and other costs ^{(ii)(iv)}	(21)	(21)	(297)	(42)
Income taxes paid	(17)	(44)	(83)	(120)
GWL Corporate free cash flow⁽¹⁾	\$ 293	\$ 282	\$ 327	\$ 423

(1) Refer to Section 8, "Non-GAAP and Other Financial Measures", of this MD&A.

(i) Publicly traded operating companies is the combined results from Loblaw and Choice Properties after the effect of consolidation.

(ii) Includes a payment of a provision of \$247 million recorded in the first quarter of 2025. Refer to note 14 "Contingent Liabilities" of the Company's second quarter 2025 interim financial statements for additional details.

(iii) Loblaw's fourth quarter of 2024 dividends were recognized in the first quarter of 2025.

(iv) GWL Corporate, financing, and other costs includes all other company level activities that are not allocated to the reportable operating segments such as net interest expense, corporate activities, administrative costs and changes in non-cash working capital. Also included are preferred share dividends.

Management's Discussion and Analysis

1. Overall Financial Performance

Loblaw delivered strong performance this quarter by continuing to provide Canadians with quality, value, service, and convenience across its nationwide network of stores and digital platforms. Strong sales growth was driven by new store openings and improved same-store sales, with everyday value offerings, personalized PC Optimum™ loyalty rewards, and impactful promotions driving higher customer engagement. In the food retail business, consumers continued to focus on value, which resulted in outperformance by hard discount and Real Canadian Superstores banners. Same-store traffic, basket size, and item count all increased compared to the same quarter last year. Food retail tonnage volume also increased, reflecting solid market share gains within both discount and conventional segments. In drug retail, robust pharmacy and healthcare services drove continued strength, led by specialty drug growth. Front store sales momentum continued, particularly in prestige beauty categories, partially offset by the strategic exit from certain electronics items. Loblaw advanced its full-year plan to open approximately 80 new stores and 100 new pharmacy clinics, providing access to affordable, quality groceries and healthcare to more communities across Canada. This included opening 10 stores and 12 pharmacy clinics in the quarter, bringing the year-to-date total to 20 new stores and 23 new pharmacy clinics. In addition, Loblaw continued to successfully execute the ramp-up of its East Gwillimbury distribution centre.

Choice Properties delivered another solid quarter, reflecting the strength of its portfolio and disciplined financial strategy. Robust demand for Choice Properties' grocery-anchored retail and well-located industrial assets supported its performance. Choice Properties further strengthened its position by advancing its strategic priorities through \$427 million in transactions.

1.1 Consolidated Results of Operations

The Company operates through its two reportable operating segments: Loblaw and Choice Properties, each of which are publicly traded entities. As such, the Company's financial statements reflect and are impacted by the consolidation of Loblaw and Choice Properties. The consolidation of these entities into the Company's financial statements reflects the impact of eliminations, intersegment adjustments and other consolidation adjustments, which can positively or negatively impact the Company's consolidated results. Additionally, cash and short-term investments and other investments held by the Company, and all other company level activities that are not allocated to the reportable operating segments, such as net interest expense, corporate activities and administrative costs are included in GWL Corporate. To help our investors and stakeholders understand the Company's financial statements and the effect of consolidation, the Company reports its results in a manner that differentiates between the Loblaw segment, the Choice Properties segment, the effect of consolidation of Loblaw and Choice Properties, and lastly, GWL Corporate.

The Company's results reflect the year-over-year impact of the fair value adjustment of the Trust Unit liability as a result of the significant changes in Choice Properties' unit price, recorded in net interest expense and other financing charges. The Company's results are impacted by market price fluctuations of Choice Properties' Trust Units on the basis that the Trust Units held by Unitholders, other than the Company, are redeemable for cash at the option of the holder and are presented as a liability on the Company's consolidated balance sheet. The Company's financial results are negatively impacted when the Trust Unit price increases and positively impacted when the Trust Unit price declines.

(\$ millions except where otherwise indicated)
For the periods ended as indicated

	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Revenue	\$ 14,823	\$ 14,091	\$ 732	5.2%	\$ 29,108	\$ 27,826	\$ 1,282	4.6%
Operating income	\$ 1,440	\$ 795	\$ 645	81.1%	\$ 2,517	\$ 1,766	\$ 751	42.5%
Adjusted EBITDA ⁽ⁱ⁾	\$ 1,923	\$ 1,806	\$ 117	6.5%	\$ 3,613	\$ 3,429	\$ 184	5.4%
Adjusted EBITDA margin ⁽ⁱ⁾	13.0%	12.8%			12.4%	12.3%		
Depreciation and amortization	\$ 518	\$ 598	\$ (80)	(13.4)%	\$ 1,145	\$ 1,211	\$ (66)	(5.5)%
Net interest expense (income) and other financing charges	\$ 490	\$ (3)	\$ 493	16,433.3%	\$ 934	\$ 212	\$ 722	340.6%
Adjusted net interest expense and other financing charges ⁽ⁱ⁾	\$ 302	\$ 271	\$ 31	11.4%	\$ 583	\$ 545	\$ 38	7.0%
Income taxes	\$ 302	\$ 131	\$ 171	130.5%	\$ 585	\$ 395	\$ 190	48.1%
Adjusted income taxes ⁽ⁱ⁾	\$ 318	\$ 293	\$ 25	8.5%	\$ 578	\$ 538	\$ 40	7.4%
Effective tax rate	31.8%	16.4%			37.0%	25.4%		
Adjusted effective tax rate ⁽ⁱ⁾	28.6%	27.9%			28.8%	28.3%		
Net earnings attributable to shareholders of the Company	\$ 268	\$ 410	\$ (142)	(34.6)%	\$ 361	\$ 656	\$ (295)	(45.0)%
Loblaw ⁽ⁱ⁾	\$ 377	\$ 241	\$ 136	56.4%	\$ 642	\$ 484	\$ 158	32.6%
Choice Properties	(154)	514	(668)	(130.0)%	(250)	656	(906)	(138.1)%
Effect of consolidation	61	(154)	215	139.6%	64	(218)	282	129.4%
Publicly traded operating companies	\$ 284	\$ 601	\$ (317)	(52.7)%	\$ 456	\$ 922	\$ (466)	(50.5)%
GWL Corporate	(26)	(201)	175	87.1%	(115)	(286)	171	59.8%
Net earnings available to common shareholders of the Company	\$ 258	\$ 400	\$ (142)	(35.5)%	\$ 341	\$ 636	\$ (295)	(46.4)%
Diluted net earnings per common share (\$)	\$ 1.96	\$ 2.97	\$ (1.01)	(34.0)%	\$ 2.58	\$ 4.70	\$ (2.12)	(45.1)%
Loblaw ⁽ⁱ⁾	\$ 381	\$ 350	\$ 31	8.9%	\$ 681	\$ 634	\$ 47	7.4%
Choice Properties	112	105	7	6.7%	221	214	7	3.3%
Effect of consolidation ⁽ⁱ⁾	(50)	(29)	(21)	(72.4)%	(82)	(77)	(5)	(6.5)%
Publicly traded operating companies	\$ 443	\$ 426	\$ 17	4.0%	\$ 820	\$ 771	\$ 49	6.4%
GWL Corporate	(42)	(32)	(10)	(31.3)%	(80)	(65)	(15)	(23.1)%
Adjusted net earnings available to common shareholders of the Company ⁽ⁱ⁾	\$ 401	\$ 394	\$ 7	1.8%	\$ 740	\$ 706	\$ 34	4.8%
Adjusted diluted net earnings per common share ⁽ⁱ⁾ (\$)	\$ 3.06	\$ 2.93	\$ 0.13	4.4%	\$ 5.65	\$ 5.22	\$ 0.43	8.2%

(i) Contribution from Loblaw, net of non-controlling interests.

Management's Discussion and Analysis

NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS OF THE COMPANY

Net earnings available to common shareholders of the Company in the second quarter of 2025 were \$258 million (\$1.96 per common share), a decrease of \$142 million (\$1.01 per common share) compared to the same period in 2024. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling \$149 million (\$1.14 per common share), partially offset by an improvement of \$7 million (\$0.13 per common share) in the consolidated underlying operating performance of the Company.

The unfavourable year-over-year net impact of adjusting items totaling \$149 million (\$1.14 per common share) was primarily due to:

- the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of \$462 million (\$3.50 per common share) as a result of the increase in Choice Properties' unit price in the second quarter of 2025; and
- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of \$39 million (\$0.29 per common share) that was determined to be no longer required at Choice Properties;

partially offset by,

- the favourable year-over-year impact of prior year charges related to the settlement of class action lawsuits of \$253 million (\$1.89 per common share);
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of \$41 million (\$0.31 per common share) primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart Corporation ("Shoppers Drug Mart") which are now fully amortized;
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied Properties Real Estate Investment Trust ("Allied") of \$33 million (\$0.25 per common share) as a result of the change in Allied's unit price; and
- the favourable year-over-year impact of the fair value adjustment on investment properties of \$29 million (\$0.23 per common share) driven by Choice Properties, net of the effect of consolidation.

Adjusted net earnings available to common shareholders of the Company⁽¹⁾ in the second quarter of 2025 were \$401 million, an increase of \$7 million, or 1.8%, compared to the same period in 2024. The increase was driven by the favourable year-over-year impact of \$17 million from the contribution of the publicly traded operating companies, partially offset by the unfavourable year-over-year impact of \$10 million at GWL Corporate due to the year-over-year impact of the fair value adjustment on other investments, an increase in adjusted net interest expense and other financing charges⁽¹⁾ and an increase in income tax expense related to GWL's participation in Loblaw's Normal Course Issuer Bid ("NCIB").

Adjusted diluted net earnings per common share⁽¹⁾ were \$3.06 in the second quarter of 2025, an increase of \$0.13 per common share, or 4.4%, compared to the same period in 2024. The increase was due to the performance in adjusted net earnings available to common shareholders⁽¹⁾ as described above and the favourable impact of shares purchased for cancellation over the last 12 months (\$0.09 per common share) pursuant to the Company's NCIB.

Year-to-date net earnings available to common shareholders of the Company were \$341 million (\$2.58 per common share) compared to \$636 million (\$4.70 per common share), a decrease of \$295 million (\$2.12 per common share) compared to the same period in 2024. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling \$329 million (\$2.55 per common share), partially offset by an improvement of \$34 million (\$0.43 per common share) in the consolidated underlying operating performance of the Company.

The unfavourable year-over-year net impact of adjusting items totaling \$329 million (\$2.55 per common share) was primarily due to:

- the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of \$684 million (\$5.18 per common share) as a result of the increase in Choice Properties' unit price; and
- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of \$39 million (\$0.29 per common share) that was determined to be no longer required at Choice Properties;

partially offset by,

- the favourable year-over-year impact of prior year charges related to the settlement of class action lawsuits of \$253 million (\$1.89 per common share);
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied of \$53 million (\$0.39 per common share) as a result of the change in Allied's unit price;
- the favourable year-over-year impact of the fair value adjustment on investment properties of \$44 million (\$0.33 per common share) driven by Choice Properties, net of the effect of consolidation; and
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of \$40 million (\$0.28 per common share) primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized.

Year-to-date adjusted net earnings available to common shareholders of the Company⁽¹⁾ were \$740 million, an increase of \$34 million, or 4.8%, compared to the same period in 2024. The increase was driven by the favourable year-over-year impact of \$49 million from the contribution of the publicly traded operating companies, partially offset by the unfavourable year-over-year impact of \$15 million at GWL Corporate primarily due to the year-over-year impact of the fair value adjustment on other investments, an increase in adjusted net interest expense and other financing charges⁽¹⁾ and an increase in income tax expense as a result of GWL's participation in Loblaw's NCIB.

Adjusted diluted net earnings per common share⁽¹⁾ were \$5.65, an increase of \$0.43 per common share, or 8.2%, compared to the same period in 2024. The increase was due to the performance in adjusted net earnings available to common shareholders⁽¹⁾ as described above and the favourable impact of shares purchased for cancellation over the last 12 months (\$0.18 per common share) pursuant to the Company's NCIB.

REVENUE

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Loblaws	\$ 14,672	\$ 13,947	\$ 725	5.2%	\$ 28,807	\$ 27,528	\$ 1,279	4.6%
Choice Properties	351	336	15	4.5%	698	685	13	1.9%
Effect of consolidation ⁽¹⁾	(200)	(192)	(8)	(4.2)%	(397)	(387)	(10)	(2.6)%
Publicly traded operating companies	\$ 14,823	\$ 14,091	\$ 732	5.2%	\$ 29,108	\$ 27,826	\$ 1,282	4.6%
GWL Corporate	—	—	—	—	—	—	—	—
Consolidated	\$ 14,823	\$ 14,091	\$ 732	5.2%	\$ 29,108	\$ 27,826	\$ 1,282	4.6%

Revenue in the second quarter of 2025 was \$14,823 million, an increase of \$732 million, or 5.2%, compared to the same period in 2024. The increase in revenue was impacted by each of the Company's reportable operating segments as follows:

- Positively by 5.1% due to revenue growth of 5.2% at Loblaws, primarily driven by an increase in retail sales of \$731 million, or 5.4%, and an increase in financial services revenue of \$10 million, or 2.7%. The increase in retail sales was due to positive same-store sales growth.
- Positively by 0.1% due to revenue growth of 4.5% at Choice Properties. The increase of \$15 million was mainly due to higher rental rates and contributions from acquisitions, net of dispositions, and completed developments, partially offset by lower lease surrender revenue.

Year-to-date revenue was \$29,108 million, an increase of \$1,282 million, or 4.6%, compared to the same period in 2024. The increase in revenue was impacted by each of the Company's reportable operating segments as follows:

- Positively by 4.6% due to revenue growth of 4.6% at Loblaws, primarily driven by an increase in retail sales of \$1,278 million, or 4.7%, and an increase in financial services revenue of \$22 million, or 3.0%. The increase in retail sales was due to positive same-store sales growth.
- Positively by a nominal amount due to revenue growth of 1.9% at Choice Properties. The increase of \$13 million included the impact of revenue from the sale of residential inventory in 2024 of \$11 million. Excluding the impact of the sale of residential inventory, revenue increased by \$24 million, or 3.6%, driven by higher rental rates and contributions from acquisitions, net of dispositions, and completed developments, partially offset by lower lease surrender revenue.

Management's Discussion and Analysis

OPERATING INCOME

(\$ millions except where otherwise indicated)
For the periods ended as indicated

	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Loblaw	\$ 1,237	\$ 866	\$ 371	42.8%	\$ 2,141	\$ 1,725	\$ 416	24.1%
Choice Properties	350	273	77	28.2%	626	480	146	30.4%
Effect of consolidation ⁽¹⁾	(136)	(82)	(54)	(65.9)%	(231)	(168)	(63)	(37.5)%
Publicly traded operating companies	\$ 1,451	\$ 1,057	\$ 394	37.3%	\$ 2,536	\$ 2,037	\$ 499	24.5%
GWL Corporate	(11)	(262)	251	95.8%	(19)	(271)	252	93.0%
Consolidated	\$ 1,440	\$ 795	\$ 645	81.1%	\$ 2,517	\$ 1,766	\$ 751	42.5%

Operating income in the second quarter of 2025 was \$1,440 million compared to \$795 million in the same period in 2024, an increase of \$645 million, or 81.1%. The increase was attributable to the favourable year-over-year net impact of adjusting items totaling \$554 million, as described below, and an improvement in the underlying operating performance of the Company of \$91 million driven by Loblaw and Choice Properties, partially offset by the unfavourable year-over-year impact of GWL Corporate.

The favourable year-over-year net impact of adjusting items totaling \$554 million was primarily driven by:

- the favourable year-over-year impact of prior year charges related to the settlement of class action lawsuits of \$420 million;
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of \$106 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized;
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied of \$37 million; and
- the favourable year-over-year impact of the fair value adjustment of investment properties of \$29 million driven by Choice Properties, net of the effect of consolidation;

partially offset by,

- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of \$39 million that was determined to be no longer required at Choice Properties.

Year-to-date operating income was \$2,517 million compared to \$1,766 million in the same period in 2024, an increase of \$751 million, or 42.5%. The increase was attributable to the favourable year-over-year net impact of adjusting items totaling \$605 million, as described below, and an improvement in the underlying operating performance of the Company of \$146 million driven by Loblaw and Choice Properties, partially offset by the unfavourable year-over-year impact of GWL Corporate.

The favourable year-over-year net impact of adjusting items totaling \$605 million was primarily driven by:

- the favourable year-over-year impact of prior year charges related to the settlement of class action lawsuits of \$420 million;
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of \$104 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized;
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied of \$58 million; and
- the favourable year-over-year impact of the fair value adjustment of investment properties of \$48 million driven by Choice Properties, net of the effect of consolidation;

partially offset by,

- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of \$39 million that was determined to be no longer required at Choice Properties.

ADJUSTED EBITDA⁽¹⁾

(\$ millions except where otherwise indicated)
For the periods ended as indicated

	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Loblaw	\$ 1,838	\$ 1,711	\$ 127	7.4%	\$ 3,427	\$ 3,253	\$ 174	5.3%
Choice Properties	252	240	12	5.0%	498	481	17	3.5%
Effect of consolidation ⁽¹⁾	(157)	(140)	(17)	(12.1)%	(295)	(292)	(3)	(1.0)%
Publicly traded operating companies	\$ 1,933	\$ 1,811	\$ 122	6.7%	\$ 3,630	\$ 3,442	\$ 188	5.5%
GWL Corporate	(10)	(5)	(5)	(100.0)%	(17)	(13)	(4)	(30.8)%
Consolidated	\$ 1,923	\$ 1,806	\$ 117	6.5%	\$ 3,613	\$ 3,429	\$ 184	5.4%

Adjusted EBITDA⁽¹⁾ in the second quarter of 2025 was \$1,923 million compared to \$1,806 million in the same period in 2024, an increase of \$117 million, or 6.5%. The increase was impacted by each of the Company's segments as follows:

- positively by 7.0% due to growth of 7.4% in adjusted EBITDA⁽¹⁾ at Loblaw, driven by an increase in retail and in financial services. The increase in Loblaw retail adjusted EBITDA⁽¹⁾ of 6.7% was driven by an increase in retail gross profit, partially offset by an increase in retail selling, general and administrative expenses ("SG&A");
- positively by 0.7% due to an increase of 5.0% in adjusted EBITDA⁽¹⁾ at Choice Properties, driven by an increase in rental income and lower general and administrative expenses, partially offset by lower lease surrender revenue and the impact of lapping a prior year provision reversal following the resolution of a tenant dispute; and
- negatively by 0.3% due to a decrease of 100.0% at GWL Corporate, primarily due to the unfavourable year-over-year impact of the fair value adjustment on other investments.

Year-to-date adjusted EBITDA⁽¹⁾ was \$3,613 million compared to \$3,429 million in the same period in 2024, an increase of \$184 million, or 5.4%. The increase was impacted by each of the Company's segments as follows:

- positively by 5.1% due to growth of 5.3% in adjusted EBITDA⁽¹⁾ at Loblaw, driven by an increase in retail and in financial services. The increase in Loblaw retail adjusted EBITDA⁽¹⁾ of 5.4% was driven by an increase in retail gross profit, partially offset by an increase in retail SG&A;
- positively by 0.5% due to an increase of 3.5% in adjusted EBITDA⁽¹⁾ at Choice Properties, driven by an increase in rental income, lower general and administrative expenses and higher fee income, partially offset by lower lease surrender revenue and income from the sale of residential inventory in the prior year; and
- negatively by 0.1% due to a decrease of 30.8% at GWL Corporate primarily due to the unfavourable year-over-year impact of the fair value adjustment on other investments.

Management's Discussion and Analysis

DEPRECIATION AND AMORTIZATION

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Loblaw	\$ 600	\$ 679	\$ (79)	(11.6)%	\$ 1,305	\$ 1,369	\$ (64)	(4.7)%
Choice Properties	1	1	—	—%	2	2	—	—%
Effect of consolidation	(84)	(83)	(1)	(1.2)%	(164)	(162)	(2)	(1.2)%
Publicly traded operating companies	\$ 517	\$ 597	\$ (80)	(13.4)%	\$ 1,143	\$ 1,209	\$ (66)	(5.5)%
GWL Corporate	1	1	—	—%	2	2	—	—%
Consolidated	\$ 518	\$ 598	\$ (80)	(13.4)%	\$ 1,145	\$ 1,211	\$ (66)	(5.5)%

Depreciation and amortization in the second quarter of 2025 and year-to-date was \$518 million and \$1,145 million, respectively, a decrease of \$80 million and \$66 million compared to the same periods in 2024. The decrease was driven by lower amortization of intangible assets at Loblaw primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, partially offset by an increase in depreciation at Loblaw.

Depreciation and amortization in the second quarter of 2025 and year-to-date included \$9 million (2024 – \$115 million) and \$125 million (2024 – \$229 million), respectively, of amortization of intangible assets related to the acquisitions of Shoppers Drug Mart and Lifemark Health Group (“Lifemark”), recorded by Loblaw.

NET INTEREST EXPENSE AND OTHER FINANCING CHARGES

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Net interest (income) expense and other financing charges	\$ 490	\$ (3)	\$ 493	16,433.3%	\$ 934	\$ 212	\$ 722	340.6%
Add (deduct) impact of the following:								
Fair value adjustment of the Trust Unit liability	(188)	274	(462)	(168.6)%	(351)	333	(684)	(205.4)%
Adjusted net interest expense and other financing charges ⁽¹⁾	\$ 302	\$ 271	\$ 31	11.4%	\$ 583	\$ 545	\$ 38	7.0%

Net interest expense and other financing charges in the second quarter of 2025 were \$490 million, an increase of \$493 million compared to the same period in 2024. The increase was due to the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of \$462 million, as a result of the increase in Choice Properties' unit price in the second quarter of 2025.

In the second quarter of 2025, adjusted net interest expense and other financing charges⁽¹⁾ increased by \$31 million, primarily driven by:

- a decrease in interest income;
- an increase in interest expense from lease liabilities at Loblaw, net of the effect of consolidation;
- an increase in interest expense on long-term debt; and
- lower capitalization of interest expense related to Loblaw's automated distribution facility.

Year-to-date net interest expense and other financing charges were \$934 million, an increase of \$722 million compared to the same period in 2024. The increase was due to the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of \$684 million, as a result of the increase in Choice Properties' unit price in 2025.

Year-to-date, adjusted net interest expense and other financing charges⁽¹⁾ increased by \$38 million primarily driven by:

- an increase in interest expense on long-term debt;
- an increase in interest expense from lease liabilities at Loblaw, net of the effect of consolidation; and
- a decrease in interest income;

partially offset by,

- an increase in capitalization of interest expense related to Loblaw's automated distribution facility.

INCOME TAXES

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Income taxes	\$ 302	\$ 131	\$ 171	130.5%	\$ 585	\$ 395	\$ 190	48.1%
Add (deduct) impact of the following:								
Tax impact of items excluded from adjusted earnings before taxes ⁽ⁱ⁾	—	142	(142)	(100.0)%	28	175	(147)	(84.0)%
Outside basis difference in certain Loblaw shares	16	20	(4)	(20.0)%	(35)	(32)	(3)	(9.4)%
Adjusted income taxes ⁽ⁱ⁾	\$ 318	\$ 293	\$ 25	8.5%	\$ 578	\$ 538	\$ 40	7.4%
Effective tax rate applicable to earnings before taxes	31.8%	16.4%			37.0%	25.4%		
Adjusted effective tax rate applicable to adjusted earnings before taxes ⁽ⁱ⁾	28.6%	27.9%			28.8%	28.3%		

(i) See the adjusted EBITDA table and the adjusted net interest expense and other financing charges table included in Section 8, "Non-GAAP and Other Financial Measures", of this MD&A for a complete list of items excluded from adjusted earnings before taxes.

The effective tax rate in the second quarter of 2025 and year-to-date was 31.8% and 37.0%, respectively, compared to 16.4% and 25.4% in the same period in 2024. The increase in the second quarter of 2025 and year-to-date was primarily attributable to the year-over-year impact of the non-taxable fair value adjustment of the Trust Unit liability, an increase in tax expense related to temporary differences in respect of the Company's investment in certain Loblaw shares as a result of the GWL's participation in Loblaw's NCIB, and the impact of other non-deductible items.

The adjusted effective tax rate⁽ⁱ⁾ in the second quarter of 2025 and year-to-date was 28.6% and 28.8%, respectively, compared to 27.9% and 28.3% in the same period in 2024. The increase in the second quarter of 2025 and year-to-date was primarily attributable to an increase in tax expense related to GWL's participation in Loblaw's NCIB, and the impact of other non-deductible items.

Management's Discussion and Analysis

1.2 Consolidated Other Business Matters

GWL CORPORATE FINANCING ACTIVITIES The Company completed the following financing activities during the periods indicated below. The cash impacts of these activities are set out below:

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
NCIB – purchased and cancelled ⁽ⁱ⁾	\$ (297)	\$ (345)	\$ (471)	\$ (490)
Participation in Loblaw's NCIB ⁽ⁱⁱ⁾	193	218	402	372
Net cash flow used in above activities	\$ (104)	\$ (127)	\$ (69)	\$ (118)

- (i) Included in the second quarter of 2025 and year-to-date is a net cash timing adjustment of \$(2) million (2024 – \$(6) million) and \$5 million (2024 – \$7 million), respectively, of common shares repurchased under the NCIB for cancellation.
- (ii) Included in the second quarter of 2025 and year-to-date is a net cash timing adjustment of \$(7) million (2024 – \$28 million) and \$(9) million (2024 – nil), respectively, of common shares sold under Loblaw's NCIB for cancellation.

NCIB - Purchased and Cancelled Shares In the second quarter of 2025 and year-to-date, the Company purchased and cancelled 1.1 million common shares (2024 – 1.8 million common shares) for aggregate consideration of \$295 million (2024 – \$339 million) and 1.9 million common shares (2024 – 2.7 million common shares) for aggregate consideration of \$476 million (2024 – \$497 million), respectively, under its NCIB. As at June 14, 2025, the Company had 128.3 million common shares issued and outstanding, net of shares held in trusts (June 15, 2024 – 132.1 million common shares).

The Company has an automatic share purchase plan (“ASPP”) with a broker in order to facilitate the repurchase of the Company's common shares under its NCIB. During the effective period of the ASPP, the Company's broker may purchase common shares at times when the Company would not be active in the market.

Refer to note 11, “Share Capital”, of the Company's second quarter 2025 interim financial statements for more information.

Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. In the second quarter of 2025 and year-to-date, Loblaw repurchased 0.9 million common shares (2024 – 1.3 million common shares) from the Company for aggregate consideration of \$200 million (2024 – \$190 million) and 2.1 million common shares (2024 – 2.5 million common shares) for aggregate consideration of \$411 million (2024 – \$372 million), respectively.

2. Results of Reportable Operating Segments

The following discussion provides details of the second quarter of 2025 results of operations of each of the Company's reportable operating segments.

2.1 Loblaw Operating Results

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Revenue	\$ 14,672	\$ 13,947	\$ 725	5.2%	\$ 28,807	\$ 27,528	\$ 1,279	4.6%
Operating income	\$ 1,237	\$ 866	\$ 371	42.8%	\$ 2,141	\$ 1,725	\$ 416	24.1%
Adjusted EBITDA ⁽¹⁾	\$ 1,838	\$ 1,711	\$ 127	7.4%	\$ 3,427	\$ 3,253	\$ 174	5.3%
Adjusted EBITDA margin ⁽¹⁾	12.5%	12.3%			11.9%	11.8%		
Depreciation and amortization	\$ 600	\$ 679	\$ (79)	(11.6)%	\$ 1,305	\$ 1,369	\$ (64)	(4.7)%

REVENUE Loblaw revenue in the second quarter of 2025 was \$14,672 million, an increase of \$725 million, or 5.2%, compared to the same period in 2024, driven by an increase in retail sales and in financial services revenue. The sale of Wellwise by Shoppers™ ("Wellwise") was completed in the first quarter of 2025. Revenue related to Wellwise in the second quarter of 2025 was nil (2024 – \$21 million). Excluding the impact of revenue related to Wellwise, revenue increased by 5.4%.

Retail sales were \$14,389 million, an increase of \$731 million, or 5.4%, compared to the same period in 2024. The increase was primarily driven by the following factors:

- food retail sales were \$10,213 million (2024 – \$9,653 million) and food retail same-store sales growth was 3.5% (2024 – 0.2%);
 - Loblaw's internal food inflation was lower than the Consumer Price Index for Food Purchased from Stores of 3.3% (2024 – 1.7%); and
 - food retail traffic increased and basket size increased.
- drug retail sales were \$4,176 million (2024 – \$4,005 million) and drug retail same-store sales growth was 4.1% (2024 – 1.5%);
 - pharmacy and healthcare services same-store sales growth was 6.2% (2024 – 5.4%), led by specialty prescriptions. The number of prescriptions increased by 3.2% (2024 – 2.1%). On a same-store basis, the number of prescriptions increased by 3.1% (2024 – 2.1%) and the average prescription value increased by 3.9% (2024 – 1.9%); and
 - front store same-store sales growth was 1.7% (2024 – decline of 2.4%). Front store same-store sales growth was primarily driven by higher sales of beauty and over-the-counter ("OTC") products, partially offset by the decision to exit certain low margin electronics categories.

In the second quarter of 2025, 10 food and drug stores were opened and 1 food and drug store was closed. Retail square footage was 72.5 million square feet, a net increase of 1.2 million square feet, or 1.7% compared to the same period in 2024.

Financial services revenue was \$377 million, an increase of \$10 million, or 2.7%, compared to the same period in 2024, primarily driven by higher sales attributable to The Mobile Shop™ and higher insurance commission income, partially offset by lower interest income.

On a year-to-date basis, Loblaw revenue was \$28,807 million, an increase of \$1,279 million, or 4.6%, compared to the same period in 2024, driven by an increase in retail sales and in financial services revenue.

Retail sales were \$28,226 million, an increase of \$1,278 million, or 4.7% when compared to the same period in 2024. Food retail sales were \$20,000 million, an increase of \$938 million, or 4.9%, compared to the same period in 2024. Food retail same-store sales growth was 2.9% (2024 – 1.8%). Drug retail sales were \$8,226 million, an increase of \$340 million, or 4.3%, compared to the same period in 2024. Drug retail same-store sales growth was 3.9% (2024 – 2.8%), with pharmacy and healthcare services same-store sales growth of 6.3% (2024 – 6.4%), and front store same-store sales growth of 1.3% (2024 – decline of 0.9%).

Year-to-date financial services revenue was \$750 million, an increase of \$22 million, or 3.0%, compared to the same period in 2024. The increase was primarily driven by higher sales attributable to The Mobile Shop, higher insurance commission income, and higher interchange income, partially offset by lower interest income.

Management's Discussion and Analysis

OPERATING INCOME Loblaw operating income in the second quarter of 2025 was \$1,237 million, an increase of \$371 million, or 42.8%, compared to the same period in 2024. The increase was driven by a favourable year-over-year net impact of adjusting items totaling \$271 million and an improvement in underlying operating performance of \$100 million, as described below:

- the favourable year-over-year net impact of adjusting items totaling \$271 million was primarily due to:
 - the favourable year-over-year impact of the prior year charges related to the settlement of class action lawsuits of \$164 million; and
 - the favourable year-over-year impact of lower amortization of intangible assets of \$106 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized.
- the improvement in underlying operating performance of \$100 million was primarily due to:
 - an improvement in retail due to an increase in retail gross profit, partially offset by an increase in retail SG&A and depreciation and amortization; and
 - an improvement in the underlying operating performance of financial services.

Year-to-date Loblaw operating income was \$2,141 million, an increase of \$416 million, or 24.1%, compared to the same period in 2024. The increase was driven by a favourable year-over-year net impact of adjusting items totaling \$282 million and an improvement in underlying operating performance of \$134 million, as described below:

- the favourable year-over-year net impact of adjusting items totaling \$282 million was primarily due to:
 - the favourable year-over-year impact of the prior year charges related to the settlement of class action lawsuits of \$164 million;
 - the favourable year-over-year impact of lower amortization of intangible assets of \$104 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized;
 - the favourable impact of the gain on sale of non-operating properties of \$15 million; and
 - the favourable impact of the gain related to the sale of *Wellwise* of \$5 million;partially offset by,
 - the unfavourable year-over-year impact of fair value adjustments on fuel and foreign currency contracts of \$6 million.
- the improvement in underlying operating performance of \$134 million was primarily due to:
 - an improvement in the underlying operating performance of retail due to an increase in retail gross profit, partially offset by an increase in retail SG&A and depreciation and amortization.

ADJUSTED EBITDA⁽¹⁾ Loblaw adjusted EBITDA⁽¹⁾ in the second quarter of 2025 was \$1,838 million, an increase of \$127 million, or 7.4%, compared to the same period in 2024, driven by an increase in retail of \$110 million and an increase in financial services of \$17 million.

Retail adjusted EBITDA⁽¹⁾ increased by \$110 million compared to the same period in 2024, driven by an increase in retail gross profit of \$238 million, partially offset by an increase in retail SG&A of \$128 million.

- Retail gross profit percentage of 32.0% was stable compared to the same period in 2024, primarily driven by improvements in shrink, offset by changes in sales mix in drug retail pharmacy categories.
- Retail SG&A as a percentage of sales was 19.8%, a favourable decrease of 10 basis points compared to the same period in 2024, primarily due to operating leverage from higher sales and the year-over-year impact of certain real estate activities, partially offset by incremental costs related to opening new stores and the automated distribution facility.

Financial services adjusted EBITDA⁽¹⁾ increased by \$17 million compared to the same period in 2024, primarily driven by higher revenue as described above, lower operating costs, and lower credit card receivable charge-offs. The increase was partially offset by higher loyalty program costs.

Year-to-date Loblaw adjusted EBITDA⁽¹⁾ was \$3,427 million, an increase of \$174 million, or 5.3%, compared to the same period in 2024, driven by an increase in retail of \$169 million and an increase in financial services of \$5 million.

Year-to-date retail adjusted EBITDA⁽¹⁾ increased by \$169 million, compared to the same period in 2024, driven by an increase in retail gross profit of \$394 million, partially offset by an increase in retail SG&A of \$225 million.

- Retail gross profit percentage of 31.8% was stable compared to the same period in 2024, primarily driven by improvements in shrink, offset by changes in sales mix in drug retail pharmacy categories.
- Retail SG&A as a percentage of sales was 20.2%, a favourable decrease of 10 basis points compared to the same period in 2024, primarily due to operating leverage from higher sales and the year-over-year impact of certain real estate activities, partially offset by incremental costs related to opening new stores and the automated distribution facility.

Year-to-date financial services adjusted EBITDA⁽¹⁾ increased by \$5 million compared to the same period in 2024, primarily driven by higher revenue as described above, and lower credit card receivable charge-offs, partially offset by higher operating costs from lapping of prior year ongoing benefits associated with the renewal of a long-term agreement with Mastercard International Incorporated, and higher loyalty program costs.

DEPRECIATION AND AMORTIZATION Loblaw depreciation and amortization in the second quarter of 2025 was \$600 million, a decrease of \$79 million compared to the same period in 2024, primarily driven by the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, partially offset by an increase in depreciation of fixed assets related to conversions of retail locations and opening new stores, and an increase in depreciation of leased assets.

Year-to-date Loblaw depreciation and amortization was \$1,305 million, a decrease of \$64 million compared to the same period in 2024. The decrease was primarily driven by the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, the impact of prior year accelerated depreciation as a result of network optimization, and a decrease in depreciation of information technology (“IT”) assets. This was partially offset by an increase in depreciation of fixed assets related to conversions of retail locations and opening new stores, and an increase in depreciation of leased assets.

Depreciation and amortization in the second quarter of 2025 and year-to-date included the amortization of intangible assets related to the acquisitions of Shoppers Drug Mart and Lifemark of \$9 million (2024 – \$115 million) and \$125 million (2024 – \$229 million), respectively.

CONSOLIDATION OF FRANCHISES Loblaw has more than 500 franchise food retail stores in its network. Non-controlling interests at Loblaw represents the share of earnings that relates to Loblaw’s food retail franchisees and is impacted by the timing of when profit sharing with franchisees is agreed and finalized under the terms of the agreements. In the second quarter of 2025 and year-to-date, Loblaw’s net earnings attributable to non-controlling interests were \$43 million and \$62 million, respectively, an increase of \$5 million or 13.2%, and a decrease of \$3 million or 4.6%, when compared to the same periods in 2024. The increase in non-controlling interests in the second quarter of 2025 was primarily driven by an increase in franchisee earnings after profit sharing. Year-to-date, the decrease in non-controlling interests was primarily driven by a decrease in franchisee earnings after profit sharing.

Management's Discussion and Analysis

2.2 Choice Properties Operating Results

(\$ millions except where otherwise indicated)
For the periods ended as indicated

	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change	% Change
Revenue	\$ 351	\$ 336	\$ 15	4.5%	\$ 698	\$ 685	\$ 13	1.9%
Net interest expense (income) and other financing charges	\$ 504	\$ (241)	\$ 745	309.1%	\$ 876	\$ (176)	\$ 1,052	597.7%
Net (loss) income	\$ (154)	\$ 514	\$ (668)	(130.0)%	\$ (250)	\$ 656	\$ (906)	(138.1)%
Funds from Operations ⁽¹⁾	\$ 192	\$ 185	\$ 7	3.8%	\$ 383	\$ 372	\$ 11	3.0%

REVENUE Choice Properties revenue in the second quarter of 2025 was \$351 million, an increase of \$15 million, or 4.5%, compared to the same period in 2024 and included revenue of \$201 million (2024 – \$193 million) generated from tenants within Loblaw.

The increase in revenue in the second quarter of 2025 was primarily driven by:

- higher rental rates primarily in the retail and industrial portfolios; and
 - contributions from acquisitions, net of dispositions, and completed developments;
- partially offset by,
- lower lease surrender revenue.

Year-to-date revenue was \$698 million, an increase of \$13 million, or 1.9%, compared to the same period in 2024 and included revenue of \$400 million (2024 – \$390 million) generated from tenants within Loblaw. Year-to-date 2024 revenue included \$11 million from the sale of residential inventory. Excluding the impact of the sale of residential inventory in the prior year, year-to-date revenue increased by \$24 million, or 3.6%, compared to the same period in 2024, primarily driven by:

- higher rental rates primarily in the retail and industrial portfolios; and
 - contributions from acquisitions, net of dispositions, and completed developments;
- partially offset by,
- lower lease surrender revenue.

NET INTEREST EXPENSE (INCOME) AND OTHER FINANCING CHARGES Choice Properties net interest expense and other financing charges in the second quarter of 2025 were \$504 million, compared to net interest income and other financing charges of \$241 million in the same period in 2024. The change of \$745 million was primarily driven by the unfavourable year-over-year change in the fair value adjustment on the Class B LP units ("Exchangeable Units") of \$737 million, as a result of the increase in the unit price in the quarter.

Year-to-date net interest expense and other financing charges were \$876 million, compared to net interest income and other financing charges of \$176 million in the same period in 2024. The change of \$1,052 million was primarily driven by the unfavourable year-over-year change in the fair value adjustment on the Exchangeable Units of \$1,041 million, as a result of the increase in the unit price in the year.

NET (LOSS) INCOME Choice Properties recorded a net loss of \$154 million in the second quarter of 2025, compared to net income of \$514 million in the same period in 2024. The unfavourable change of \$668 million was primarily driven by:

- higher net interest expense and other financing charges as described above; and
- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of \$39 million that was determined to be no longer required;

partially offset by,

- the favourable year-over-year change in the fair value adjustment on investment properties, including those held within equity accounted joint ventures, of \$67 million;
- the favourable year-over-year change in the fair value adjustment of investment in real estate securities of \$37 million driven by the change in Allied's unit price; and
- an increase in rental revenue as described above.

Year-to-date, net loss was \$250 million, compared to net income of \$656 million in the same period in 2024. The unfavourable change of \$906 million was primarily driven by:

- higher net interest expense and other financing charges as described above; and
- the unfavourable year-over-year impact of the prior year reversal of transaction related provision of \$39 million that was determined to be no longer required;

partially offset by,

- the favourable year-over-year change in the fair value adjustment on investment properties, including those held within equity accounted joint ventures, of \$110 million;
- the favourable year-over-year change in the fair value adjustment of investment in real estate securities of \$58 million as a result of the change in Allied's unit price; and
- an increase in rental revenue as described above.

FUNDS FROM OPERATIONS⁽¹⁾ Funds from Operations⁽¹⁾ in the second quarter of 2025 were \$192 million, an increase of \$7 million compared to the same period in 2024. The increase was primarily due to an increase in rental income and lower general and administrative expenses. The increase was partially offset by higher interest expense and lower interest income.

Funds from Operations⁽¹⁾ year-to-date were \$383 million, an increase of \$11 million, compared to the same period in 2024. The increase was primarily due to an increase in rental income and lower general and administrative expenses. The increase was partially offset by higher interest expense and lower interest income.

CHOICE PROPERTIES OTHER BUSINESS MATTERS

Related Party Transactions

Transaction with Wittington In the first quarter of 2025, cash consideration for the disposition of a retail property held within assets held for sale of \$7 million, as well as a retail property held within an equity accounted joint venture of \$18 million, both located in Aurora, Ontario, included fees paid by Wittington of \$1 million and \$1 million, respectively.

Transaction with Other Related Party In the first quarter of 2025, a mortgage receivable and interest accrued thereon totalling \$114 million, previously issued to an entity in which Choice Properties has an ownership interest, was repaid.

Management's Discussion and Analysis

3. Liquidity and Capital Resources

3.1 Cash Flows

(\$ millions) For the periods ended as indicated	12 Weeks Ended			24 Weeks Ended		
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change
Cash and cash equivalents, beginning of period	\$ 1,304	\$ 1,941	\$ (637)	\$ 2,048	\$ 2,451	\$ (403)
Cash flows from (used in):						
Operating activities	\$ 1,395	\$ 1,406	\$ (11)	\$ 2,106	\$ 2,260	\$ (154)
Investing activities	(726)	(775)	49	(1,179)	(1,000)	(179)
Financing activities	(794)	(153)	(641)	(1,795)	(1,296)	(499)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(5)	1	(6)	(6)	5	(11)
(Decrease) increase in cash and cash equivalents	\$ (130)	\$ 479	\$ (609)	\$ (874)	\$ (31)	\$ (843)
Cash and cash equivalents, end of period	\$ 1,174	\$ 2,420	\$ (1,246)	\$ 1,174	\$ 2,420	\$ (1,246)

CASH FLOWS FROM OPERATING ACTIVITIES Cash flows from operating activities were \$1,395 million in the second quarter of 2025, a decrease of \$11 million compared to the same period in 2024. The decrease in cash flows from operating activities in the second quarter of 2025 was primarily driven by a year-over-year change in provisions, credit card receivables increasing year-over-year at a rate higher than the prior year and an unfavourable year-over-year change in non-cash working capital, partially offset by higher cash earnings.

Year-to-date cash flows from operating activities were \$2,106 million in 2025, a decrease of \$154 million compared to the same period in 2024. The decrease in cash flows from operating activities was primarily driven by payments related to provisions and an unfavourable year-over-year change in non-cash working capital, partially offset by higher cash earnings, lower income taxes paid and higher payments received from cardholders.

CASH FLOWS USED IN INVESTING ACTIVITIES Cash flows used in investing activities were \$726 million in the second quarter of 2025, a decrease of \$49 million compared to the same period in 2024. The decrease in cash flows used in investing activities was primarily driven by an increase in disposals of short-term investments and higher proceeds from disposal of assets, partially offset by an increase in capital investments and an increase in security deposits.

Year-to-date cash flows used in investing activities were \$1,179 million in 2025, an increase of \$179 million compared to the same period in 2024. The increase in cash flows used in investing activities was primarily driven by higher purchases of short-term investments, partially offset by higher proceeds from disposals of assets and higher repayments of mortgages, loans, and notes receivable in the current year.

The following table summarizes the Company's capital investments by each of its reportable operating segments:

(\$ millions) For the periods ended as indicated	12 Weeks Ended			24 Weeks Ended		
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change
Loblaws	\$ 409	\$ 495	\$ (86)	\$ 655	\$ 882	\$ (227)
Choice Properties	356	42	314	421	122	299
Effect of consolidation	(168)	(20)	(148)	(201)	(58)	(143)
Publicly traded operating companies	\$ 597	\$ 517	\$ 80	\$ 875	\$ 946	\$ (71)
GWL Corporate	—	—	—	—	—	—
Total capital investments ⁽ⁱ⁾	\$ 597	\$ 517	\$ 80	\$ 875	\$ 946	\$ (71)

(i) Capital investments are the sum of fixed asset and investment properties purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period.

CASH FLOWS USED IN FINANCING ACTIVITIES Cash flows used in financing activities were \$794 million in the second quarter of 2025, an increase of \$641 million compared to the same period in 2024. The increase in cash flows used in financing activities was primarily driven by lower net issuances of long-term debt and short-term debt in the current year, partially offset by an increase in demand deposits from customers.

Year-to-date cash flows used in financing activities were \$1,795 million in 2025, an increase of \$499 million compared to the same period in 2024. The increase in cash flows used in financing activities was primarily driven by lower net issuances of long-term debt in the current year, the redemption of all issued and outstanding Loblaw Preferred Shares, Series B, the timing of the fourth quarter 2024 Loblaw dividend payment and higher repayments of short-term debt, partially offset by an increase in demand deposits from customers.

FREE CASH FLOW⁽ⁱ⁾

(\$ millions) For the periods ended as indicated	12 Weeks Ended			24 Weeks Ended		
	Jun. 14, 2025	Jun. 15, 2024	\$ Change	Jun. 14, 2025	Jun. 15, 2024	\$ Change
Cash flows from operating activities	\$ 1,395	\$ 1,406	\$ (11)	\$ 2,106	\$ 2,260	\$ (154)
Less: Capital investments ⁽ⁱ⁾	597	517	80	875	946	(71)
Interest paid	209	205	4	465	450	15
Lease payments, net	237	227	10	473	447	26
Free cash flow ⁽ⁱ⁾	\$ 352	\$ 457	\$ (105)	\$ 293	\$ 417	\$ (124)

(i) Capital investments are the sum of fixed asset and investment properties purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period.

Free cash flow⁽ⁱ⁾ from the second quarter 2025 was \$352 million, a decrease of \$105 million compared to the same period in 2024. The decrease in free cash flow⁽ⁱ⁾ was primarily driven by a year-over-year change in provisions, higher capital investments and credit card receivables increasing year-over-year at a rate higher than the prior year, partially offset by higher cash earnings.

On a year-to-date basis, free cash flow⁽ⁱ⁾ was \$293 million, a decrease of \$124 million compared to the same period in 2024. The decrease in free cash flow⁽ⁱ⁾ was primarily driven by payments related to provisions and an unfavourable year-over-year change in non-cash working capital, partially offset by higher cash earnings, lower income taxes paid and higher payments received from cardholders.

Management's Discussion and Analysis

3.2 Liquidity

The Company (excluding Loblaw and Choice Properties) expects that cash and cash equivalents, short-term investments, future operating cash flows and the amounts available to be drawn against its committed credit facility will enable it to finance its capital investment program and fund its ongoing business requirements, including working capital, pension plan funding requirements and financial obligations, over the next 12 months. The Company (excluding Loblaw and Choice Properties) does not foresee any impediments in obtaining financing to satisfy its long-term obligations.

Loblaw expects that cash and cash equivalents, short-term investments, future operating cash flows and the amounts available to be drawn against committed credit facilities will enable it to finance its capital investment program and fund its ongoing business requirements over the next 12 months, including working capital, pension plan funding requirements and financial obligations. President's Choice Bank ("PC Bank") expects to obtain long-term financing for its credit card portfolio through the issuance of Eagle Credit Card Trust ("Eagle") notes and guaranteed investment certificates.

Choice Properties expects to fund its ongoing operations and finance future growth primarily through the use of: existing cash, cash flows from operations, short-term financing through the committed credit facility, the issuance of unsecured debentures and equity (including Exchangeable Units) (subject to market conditions), and secured mortgages. Given reasonable access to capital markets, Choice Properties does not foresee any impediments in obtaining financing to satisfy its short-term and long-term financial obligations, including its capital investment commitments.

For details on the Company's cash flows, see Section 3.1, "Cash Flows", of this MD&A.

TOTAL DEBT The following table presents total debt:

(\$ millions)	Jun. 14, 2025					As at									
						Jun. 15, 2024					Dec. 31, 2024				
	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total
Bank indebtedness	\$ 59	\$ —	\$ —	\$ —	\$ 59	\$ 38	\$ —	\$ —	\$ —	\$ 38	\$ —	\$ —	\$ —	\$ —	\$ —
Demand deposits from customers	673	—	—	—	673	175	—	—	—	175	353	—	—	—	353
Short-term debt	500	—	—	—	500	650	—	—	—	650	800	—	—	—	800
Long-term debt due within one year	543	406	—	—	949	741	1,012	—	200	1,953	631	682	—	—	1,313
Long-term debt	8,099	6,412	—	498	15,009	7,741	6,138	(83)	249	14,045	7,570	6,003	—	498	14,071
Certain other liabilities ⁽ⁱ⁾	302	—	509	—	811	290	—	518	—	808	294	—	512	—	806
Total debt excluding lease liabilities	\$ 10,176	\$ 6,818	\$ 509	\$ 498	\$ 18,001	\$ 9,635	\$ 7,150	\$ 435	\$ 449	\$ 17,669	\$ 9,648	\$ 6,685	\$ 512	\$ 498	\$ 17,343
Lease liabilities due within one year	1,560	—	(572)	1	989	1,477	—	(586)	—	891	1,648	—	(603)	—	1,045
Lease liabilities	8,754	1	(3,559)	—	5,196	7,968	1	(3,354)	2	4,617	8,535	1	(3,561)	2	4,977
Total debt including lease liabilities	\$20,490	\$ 6,819	\$ (3,622)	\$ 499	\$24,186	\$19,080	\$ 7,151	\$ (3,505)	\$ 451	\$ 23,177	\$ 19,831	\$ 6,686	\$ (3,652)	\$ 500	\$ 23,365

(i) As at June 14, 2025, certain other liabilities include financial liabilities of \$701 million related to the sale and leaseback of retail and industrial properties (June 15, 2024 – \$708 million; December 31, 2024 – \$704 million).

Management targets credit metrics consistent with those of an investment grade profile. GWL Corporate holds cash and cash equivalents and short-term investments, and as a result monitors its leverage on a net debt basis. GWL Corporate has total debt including lease liabilities of \$499 million (June 15, 2024 – \$451 million; December 31, 2024 – \$500 million) and cash and cash equivalents and short-term investments of \$173 million (June 15, 2024 – \$502 million; December 31, 2024 – \$523 million), resulting in a net debt (cash) position of \$326 million (June 15, 2024 – \$(51) million; December 31, 2024 – \$(23) million).

Loblaw's management is focused on managing its capital structure on a segmented basis to ensure that each of its operating segments is employing a capital structure that is appropriate for the industry in which it operates.

- Loblaw targets maintaining retail segment credit metrics consistent with those of investment grade retailers. Loblaw monitors the retail segment's debt to rolling year retail adjusted EBITDA⁽¹⁾ ratio as a measure of the leverage being employed. Loblaw retail segment debt to rolling year retail adjusted EBITDA⁽¹⁾ ratio as at June 14, 2025 increased compared to June 15, 2024, primarily driven by an increase in retail debt partially offset by an improvement in adjusted EBITDA⁽¹⁾. Loblaw retail segment debt to rolling year retail adjusted EBITDA⁽¹⁾ ratio as at June 14, 2025 remained flat compared to December 31, 2024.
- PC Bank's capital management objectives are to maintain a consistently strong capital position while considering the economic risks generated by its credit card receivables portfolio and to meet all regulatory requirements as defined by the Office of the Superintendent of Financial Institutions.

In the second quarter of 2025, Eagle issued \$300 million of senior subordinated term notes with a maturity date of June 17, 2030 (the "Eagle 2025-1 Series notes"). These notes have a weighted average interest rate of 4.02%. In connection with the issuance, \$150 million of bond forward agreements were settled. This resulted in a fair value loss of \$1 million before income taxes, which will be reclassified to net earnings over the life of the Eagle 2025-1 Series notes. Consequently, the net effective interest rate on Eagle 2025-1 Series notes issued is 4.07%.

In the second quarter of 2025, the total capacity of the independent funding trusts increased from \$700 million to \$1 billion and the maturity date of the trusts were extended from May 29, 2027 to March 27, 2028 with all other terms and conditions remaining substantially the same.

Loblaw has a committed credit facility provided by a syndicate of lenders. In the second quarter of 2025, the maturity date of the credit facility was extended from July 15, 2027 to March 27, 2030 with all other terms and conditions remaining substantially the same.

Choice Properties targets maintaining credit metrics consistent with those of investment grade Real Estate Investment Trusts ("REIT"). Choice Properties monitors metrics relevant to the REIT industry including targeting an appropriate debt to total assets ratio.

Choice Properties has a committed credit facility provided by a syndicate of lenders. In the second quarter of 2025, the maturity date of the credit facility was extended from June 13, 2029 to May 21, 2030 with all other terms and conditions remaining substantially the same.

COVENANTS AND REGULATORY REQUIREMENTS The Company, Loblaw and Choice Properties are required to comply with certain financial covenants for various debt instruments. As at the end of and throughout the second quarter of 2025, the Company, Loblaw and Choice Properties were in compliance with their respective covenants. As at the end of and throughout the second quarter of 2025, PC Bank has met all applicable regulatory requirements.

Management's Discussion and Analysis

3.3 Components of Total Debt

For details on the Company's components of total debt, refer to note 10, "Long-Term Debt", of the Company's second quarter 2025 interim financial statements.

3.4 Financial Condition

	Jun. 14, 2025	As at	
		Jun. 15, 2024	Dec. 31, 2024
Rolling year adjusted return on average equity attributable to common shareholders of the Company ⁽¹⁾	31.4%	25.7%	28.3%
Rolling year adjusted return on capital ⁽¹⁾	14.4%	13.9%	14.5%

The rolling year adjusted return on average equity attributable to common shareholders of the Company⁽¹⁾ increased as at the end of the second quarter of 2025 compared to the end of the second quarter of 2024 and year end 2024, primarily due to a decrease in average equity attributable to common shareholders of the Company⁽¹⁾ and an improvement in the Company's consolidated underlying performance.

As at the end of the second quarter of 2025, the rolling year adjusted return on capital⁽¹⁾ increased compared to the end of the second quarter of 2024, primarily due to an improvement in the Company's consolidated underlying performance, partially offset by an increase in average capital⁽¹⁾. As at the end of second quarter of 2025, the rolling year adjusted return on capital⁽¹⁾ decreased compared to year end 2024, primarily due to an increase in average capital⁽¹⁾, partially offset by an improvement in the Company's consolidated underlying performance.

3.5 Credit Ratings

The following table sets out the current credit ratings of GWL:

Credit Ratings (Canadian Standards)	DBRS		S&P	
	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	BBB	Positive	BBB+	Stable
Medium term notes	BBB	Positive	BBB	n/a
Preferred shares	Pfd-3	Positive	P-2 (low)	n/a

In the second quarter of 2025, Morningstar DBRS ("DBRS") confirmed the credit ratings of GWL and changed the trend from stable to positive. Standard and Poor's Global Ratings ("S&P") confirmed the credit ratings and outlook of GWL.

The following table sets out the current credit ratings of Loblaw:

Credit Ratings (Canadian Standards)	DBRS		S&P	
	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	BBB (high)	Positive	BBB+	Stable
Medium term notes	BBB (high)	Positive	BBB+	n/a

In the second quarter of 2025, DBRS confirmed the credit ratings of Loblaw and changed the trend from stable to positive. S&P confirmed the credit ratings and outlook of Loblaw.

The following table sets out the current credit ratings of Choice Properties:

Credit Ratings (Canadian Standards)	DBRS		S&P	
	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	BBB (high)	Positive	BBB+	Stable
Senior unsecured debentures	BBB (high)	Positive	BBB+	n/a

In the second quarter of 2025, DBRS confirmed the credit ratings of Choice Properties and changed the trend from stable to positive. In 2024, S&P upgraded the Choice Properties rating to BBB+ with a stable outlook.

3.6 Dividends and Share Repurchases

DIVIDENDS The following table summarizes the Company's cash dividends declared for the periods ended as indicated:

(\$)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Dividends declared per share ⁽ⁱ⁾ :				
Common share	\$ 0.8938	\$ 0.820	\$ 1.7138	\$ 1.533
Preferred share:				
Series I	\$ 0.3625	\$ 0.3625	\$ 0.7250	\$ 0.7250
Series III	\$ 0.3250	\$ 0.3250	\$ 0.6500	\$ 0.6500
Series IV	\$ 0.3250	\$ 0.3250	\$ 0.6500	\$ 0.6500
Series V	\$ 0.296875	\$ 0.296875	\$ 0.593750	\$ 0.593750

(i) Dividends declared in the second quarter of 2025 on common shares and Preferred Shares, Series III, Series IV and Series V were payable on July 1, 2025. Dividends declared in the second quarter of 2025 on Preferred Shares, Series I were payable on June 15, 2025.

Subsequent to the end of the second quarter of 2025, the Company's Board of Directors approved a 3-for-1 stock split of the Company's outstanding common shares. The stock split will be implemented by way of a stock dividend where the Company will issue to shareholders two additional common shares for each common share held. The stock split will be effective at the close of business on August 18, 2025 for shareholders of record as of the close of business on August 14, 2025.

The following table summarizes the Company's quarterly dividends declared subsequent to the end of the second quarter of 2025:

(\$)		
Dividends declared per share ⁽ⁱ⁾	– Common share (on a pre-stock split basis)	\$ 0.8938
	– Preferred share:	
	Series I	\$ 0.3625
	Series III	\$ 0.3250
	Series IV	\$ 0.3250
	Series V	\$ 0.296875

(i) Dividends declared in the third quarter of 2025 on common shares and Preferred Shares, Series III, Series IV and Series V are payable on October 1, 2025. Dividends declared in the third quarter of 2025 on Preferred Shares, Series I are payable on September 15, 2025.

SHARE REPURCHASES In the second quarter of 2025 and year-to-date, the Company purchased and cancelled 1.1 million common shares (2024 – 1.8 million common shares) for aggregate consideration of \$295 million (2024 – \$339 million) and 1.9 million common shares (2024 – 2.7 million common shares) for aggregate consideration of \$476 million (2024 – \$497 million), respectively, under its NCIB. As at June 14, 2025, the Company had 128.3 million common shares issued and outstanding, net of shares held in trusts (June 15, 2024 – 132.1 million common shares).

For details on the Company's share capital, refer to note 11, "Share Capital", of the Company's second quarter 2025 interim financial statements.

3.7 Off-Balance Sheet Arrangements

The Company uses off-balance sheet arrangements including letters of credit, guarantees and cash collateralization in connection with certain obligations. There were no significant changes to these off-balance sheet arrangements during the second quarter of 2025. For a discussion of the Company's significant off-balance sheet arrangements, see Section 3.7, "Off-Balance Sheet Arrangements", of the Company's 2024 Annual Report.

Management's Discussion and Analysis

4. Quarterly Results of Operations

The Company's year end is December 31. Activities are reported on a fiscal year ending on the Saturday closest to December 31. As a result, the Company's fiscal year is usually 52 weeks in duration but includes a 53rd week every five to six years. Each of the years ended December 31, 2024 and December 31, 2023 contained 52 weeks. The 52-week reporting cycle is divided into four quarters of 12 weeks each except for the third quarter, which is 16 weeks in duration. When a fiscal year such as 2025 contains 53 weeks, the fourth quarter is 13 weeks in duration.

The following is a summary of selected consolidated quarterly financial information for each of the eight most recently completed quarters.

SELECTED QUARTERLY INFORMATION

(\$ millions except where otherwise indicated)	Second Quarter		First Quarter		Fourth Quarter		Third Quarter	
	2025 (12 weeks)	2024 (12 weeks)	2025 (12 weeks)	2024 (12 weeks)	2024 (12 weeks)	2023 (12 weeks)	2024 (16 weeks)	2023 (16 weeks)
Revenue	\$ 14,823	\$ 14,091	\$ 14,285	\$ 13,735	\$ 15,097	\$ 14,700	\$ 18,685	\$ 18,407
Operating income	\$ 1,440	\$ 795	\$ 1,077	\$ 971	\$ 992	\$ 1,076	\$ 1,618	\$ 1,231
Adjusted EBITDA ⁽ⁱ⁾	\$ 1,923	\$ 1,806	\$ 1,690	\$ 1,623	\$ 1,814	\$ 1,694	\$ 2,158	\$ 2,019
Depreciation and amortization	\$ 518	\$ 598	\$ 627	\$ 613	\$ 613	\$ 602	\$ 787	\$ 763
Net earnings	\$ 648	\$ 667	\$ 350	\$ 492	\$ 897	\$ 247	\$ 440	\$ 944
Net earnings (loss) attributable to shareholders of the Company	\$ 268	\$ 410	\$ 93	\$ 246	\$ 674	\$ (28)	\$ 29	\$ 624
Loblaw ⁽ⁱ⁾	\$ 377	\$ 241	\$ 265	\$ 243	\$ 245	\$ 285	\$ 409	\$ 329
Choice Properties	(154)	514	(96)	142	792	(445)	(663)	435
Effect of consolidation	61	(154)	3	(64)	(356)	142	291	(141)
Publicly traded operating companies	\$ 284	\$ 601	\$ 172	\$ 321	\$ 681	\$ (18)	\$ 37	\$ 623
GWL Corporate	(26)	(201)	(89)	(85)	(17)	(20)	(22)	(13)
Net earnings (loss) available to common shareholders of the Company	\$ 258	\$ 400	\$ 83	\$ 236	\$ 664	\$ (38)	\$ 15	\$ 610
Net earnings (loss) per common share (\$) - basic	\$ 2.00	\$ 3.01	\$ 0.64	\$ 1.76	\$ 5.10	\$ (0.28)	\$ 0.11	\$ 4.46
Net earnings (loss) per common share (\$) - diluted	\$ 1.96	\$ 2.97	\$ 0.62	\$ 1.73	\$ 5.05	\$ (0.30)	\$ 0.08	\$ 4.41
Adjusted diluted net earnings per common share ⁽ⁱ⁾ (\$)	\$ 3.06	\$ 2.93	\$ 2.58	\$ 2.30	\$ 3.15	\$ 2.51	\$ 3.57	\$ 3.36

(i) Contribution from Loblaw, net of non-controlling interests.

REVENUE Over the last eight quarters, consolidated revenue was impacted by each of the Company's reportable operating segments as follows:

- Loblaw revenue was impacted by various factors including the following:
 - seasonality, which was greatest in the fourth quarter and least in the first quarter;
 - the timing of holidays;
 - macro-economic conditions impacting food and drug retail prices; and
 - changes in net retail square footage. Over the past eight quarters, net retail square footage has increased by 1.3 million square feet to 72.5 million square feet.
- Choice Properties revenue was impacted by the following:
 - higher rental rates in the retail and industrial portfolio;
 - contribution from acquisitions, net of dispositions, and development transfers;
 - increased capital and operating recoveries;
 - lease surrender revenue; and
 - the sale of residential inventory.

NET EARNINGS (LOSS) AVAILABLE TO COMMON SHAREHOLDERS OF THE COMPANY AND DILUTED NET EARNINGS (LOSS) PER COMMON SHARE Net earnings (loss) available to common shareholders of the Company and diluted net earnings (loss) per common share for the last eight quarters were impacted by the underlying operating performance of each of the Company's reportable operating segments and certain adjusting items as described in Section 8.1, "Non-GAAP and Other Financial Measures - Selected Comparative Reconciliation", of this MD&A.

The Company's underlying operating performance for the last eight quarters included the following:

- change in Loblaw's underlying operating performance driven by:
 - seasonality, which was greatest in the fourth quarter and least in the first quarter;
 - the timing of holidays; and
 - cost savings from operating efficiencies and benefits from strategic initiatives.
- change in Choice Properties' underlying operating performance driven by:
 - changes in revenue as described above;
 - the impact of acquisitions and dispositions of investment properties and development transfers; and
 - changes in general and administrative expenses.
- the year-over-year impact of changes in the effect of consolidation. Refer to Section 8, "Non-GAAP and Other Financial Measures", of this MD&A for a breakdown of effect of consolidation.
- the year-over-year impact of changes in GWL Corporate due to:
 - fluctuations in the fair value adjustment on other investments.
- diluted net earnings (loss) per common share included the favourable impact of shares purchased for cancellation.

5. Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards.

In designing such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING There were no changes in the Company's internal control over financial reporting in the second quarter of 2025 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

6. Enterprise Risks and Risk Management

A detailed full set of risks inherent in the Company's business are included in the Company's Annual Information Form ("AIF") for the year ended December 31, 2024 and the MD&A included in the Company's 2024 Annual Report, which are hereby incorporated by reference. The Company's 2024 Annual Report and AIF are available at www.sedarplus.ca. Those risks and risk management strategies remain unchanged.

Management's Discussion and Analysis

7. Outlook⁽²⁾

The Company's 2025 outlook remains unchanged and it continues to expect adjusted net earnings⁽¹⁾ to increase due to the results from its operating segments, and to use excess cash to repurchase shares.

Loblaw Loblaw will continue to execute on retail excellence while advancing its growth initiatives with the goal of delivering consistent operational and financial results in 2025. Loblaw's businesses remain well positioned to meet the everyday needs of Canadians.

In 2025, Loblaw's results will include the impact of a 53rd week, which is expected to benefit adjusted net earnings per common share⁽¹⁾ growth by approximately 2%. On a full-year comparative basis, excluding the impact of the 53rd week, Loblaw continues to expect:

- its retail business to grow earnings faster than sales;
- adjusted net earnings per common share⁽¹⁾ growth in the high single-digits;
- to continue investing in its store network and distribution centres by investing a net amount of \$1.9 billion in capital expenditures, which reflects gross capital investments of approximately \$2.2 billion, net of approximately \$300 million of proceeds from property disposals; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

Choice Properties Choice Properties is focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation. Its high-quality portfolio is primarily leased to necessity-based tenants and logistics providers, who are less sensitive to economic volatility and therefore provide stability to its overall portfolio. Choice Properties will continue to advance its development program, with a focus on commercial developments, which provides the best opportunity to add high-quality real estate to its portfolio at a reasonable cost and drive net asset value appreciation over time.

Choice Properties is confident that its business model, stable tenant base, strong balance sheet and disciplined approach to financial management will continue to benefit its operations. In 2025, Choice Properties is targeting:

- stable occupancy across the portfolio, resulting in approximately 2% - 3% year-over-year growth in Same-Asset NOI, cash basis⁽ⁱ⁾;
- annual FFO⁽¹⁾ per unit diluted⁽ⁱ⁾ in a range of \$1.05 to \$1.06, reflecting approximately 2% - 3% year-over-year growth; and
- strong leverage metrics, targeting Adjusted Debt to EBITDAFV⁽ⁱ⁾ below 7.5x.

(i) For more information on these measures see the 2024 Annual Report filed by Choice Properties, which is available on www.sedarplus.ca or at www.choicereit.ca.

8. Non-GAAP and Other Financial Measures

The Company uses non-GAAP and other financial measures and ratios in this document, such as: adjusted EBITDA and adjusted EBITDA margin, adjusted net earnings attributable to shareholders of the Company, adjusted net earnings available to common shareholders of the Company, adjusted diluted net earnings per common share, effect of consolidation, rolling year adjusted return on average equity attributable to common shareholders of the Company, rolling year adjusted return on capital, GWL Corporate free cash flow, free cash flow and Choice Properties Funds from Operations, among others. In addition to these items, the following measures are used by management in calculating adjusted diluted net earnings per common share: adjusted operating income, adjusted net interest expense and other financing charges, adjusted earnings before income taxes, adjusted income taxes and adjusted effective tax rate. The Company believes these non-GAAP and other financial measures provide useful information to both management and investors with regard to accurately assessing the Company's financial performance and financial condition for the reasons outlined below.

Further, certain non-GAAP measures and other financial measures of Loblaw and Choice Properties are included in this document. For more information on these measures, refer to the materials filed by Loblaw and Choice Properties, which are available on www.sedarplus.ca or at www.loblaw.ca or www.choicereit.ca, respectively.

Management uses these and other non-GAAP and other financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing underlying consolidated and segment operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. The Company adjusts for these items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Management's Discussion and Analysis

ADJUSTED EBITDA The Company believes adjusted EBITDA is useful in assessing and making decisions regarding the underlying operating performance of the Company's ongoing operations and in assessing the Company's ability to generate cash flows to fund its cash requirements, including its capital investment program.

The following table reconciles adjusted EBITDA to operating income, which is reconciled to GAAP net earnings attributable to shareholders of the Company reported for the periods ended as indicated.

(\$ millions)	12 Weeks Ended									
	Jun. 14, 2025					Jun. 15, 2024				
	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated
Net earnings attributable to shareholders of the Company					\$ 268					\$ 410
Add impact of the following:										
Non-controlling interests					380					257
Income taxes					302					131
Net interest expense (income) and other financing charges					490					(3)
Operating income	\$ 1,237	\$ 350	\$ (136)	\$ (11)	\$ 1,440	\$ 866	\$ 273	\$ (82)	\$ (262)	\$ 795
Add (deduct) impact of the following:										
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 9	\$ —	\$ —	\$ —	\$ 9	\$ 115	\$ —	\$ —	\$ —	\$ 115
Fair value adjustment of derivatives	2	—	—	—	2	2	—	—	—	2
Fair value adjustment on investment properties	—	(90)	63	—	(27)	—	(23)	25	—	2
Fair value adjustment of investment in real estate securities	—	(9)	—	—	(9)	—	28	—	—	28
Gain on sale of non-operating property	(1)	—	—	—	(1)	—	—	—	—	—
Charges related to settlement of class action lawsuits	—	—	—	—	—	164	—	—	256	420
Transaction costs and other related recoveries	—	—	—	—	—	—	(39)	—	—	(39)
Adjusting items	\$ 10	\$ (99)	\$ 63	\$ —	\$ (26)	\$ 281	\$ (34)	\$ 25	\$ 256	\$ 528
Adjusted operating income	\$ 1,247	\$ 251	\$ (73)	\$ (11)	\$ 1,414	\$ 1,147	\$ 239	\$ (57)	\$ (6)	\$ 1,323
Depreciation and amortization excluding the impact of the above adjustment ⁽ⁱ⁾	591	1	(84)	1	509	564	1	(83)	1	483
Adjusted EBITDA	\$ 1,838	\$ 252	\$ (157)	\$ (10)	\$ 1,923	\$ 1,711	\$ 240	\$ (140)	\$ (5)	\$ 1,806

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

24 Weeks Ended

(\$ millions)	Jun. 14, 2025					Jun. 15, 2024				
	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated
Net earnings attributable to shareholders of the Company					\$ 361					\$ 656
Add impact of the following:										
Non-controlling interests					637					503
Income taxes					585					395
Net interest expense and other financing charges					934					212
Operating income	\$ 2,141	\$ 626	\$ (231)	\$ (19)	\$ 2,517	\$ 1,725	\$ 480	\$ (168)	\$ (271)	\$ 1,766
Add (deduct) impact of the following:										
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 125	\$ —	\$ —	\$ —	\$ 125	\$ 229	\$ —	\$ —	\$ —	\$ 229
Fair value adjustment of derivatives	1	—	—	—	1	(5)	—	—	—	(5)
Fair value adjustment on investment properties	—	(130)	100	—	(30)	—	(20)	38	—	18
Fair value adjustment of investment in real estate securities	—	—	—	—	—	—	58	—	—	58
Gain on sale of non-operating properties	(15)	—	—	—	(15)	—	—	—	—	—
Sale of <i>Wellwise</i>	(5)	—	—	—	(5)	—	—	—	—	—
Charges related to settlement of class action lawsuits	—	—	—	—	—	164	—	—	256	420
Transaction costs and other related recoveries	—	—	—	—	—	—	(39)	—	—	(39)
Adjusting items	\$ 106	\$ (130)	\$ 100	\$ —	\$ 76	\$ 388	\$ (1)	\$ 38	\$ 256	\$ 681
Adjusted operating income	\$ 2,247	\$ 496	\$ (131)	\$ (19)	\$ 2,593	\$ 2,113	\$ 479	\$ (130)	\$ (15)	\$ 2,447
Depreciation and amortization excluding the impact of the above adjustment ⁽ⁱ⁾	1,180	2	(164)	2	1,020	1,140	2	(162)	2	982
Adjusted EBITDA	\$ 3,427	\$ 498	\$ (295)	\$ (17)	\$ 3,613	\$ 3,253	\$ 481	\$ (292)	\$ (13)	\$ 3,429

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

The following items impacted adjusted EBITDA in 2025 and 2024:

Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark The acquisition of Shoppers Drug Mart in 2014 included approximately \$6 billion of definite life intangible assets, which are being amortized over their estimated useful lives. In 2024, the annual amortization associated with the acquired intangibles was \$479 million. The annual amortization will decrease to approximately \$130 million in 2025, of which \$110 million and \$6 million was recorded in the first and second quarters of 2025, respectively. Annual amortization will be approximately \$30 million in 2026 and thereafter.

The acquisition of Lifemark in 2022 included approximately \$299 million of definite life intangible assets, which are being amortized over their estimated useful lives.

Fair value adjustment of derivatives Loblaw is exposed to commodity price and U.S. dollar exchange rate fluctuations. In accordance with Loblaw's commodity risk management policy, Loblaw enters into exchange traded futures contracts and forward contracts to minimize cost volatility relating to fuel prices and the U.S. dollar exchange rate. These derivatives are not acquired for trading or speculative purposes. Pursuant to Loblaw's derivative instruments accounting policy, changes in the fair value of these instruments, which include realized and unrealized gains and losses, are recorded in operating income. Despite the impact of accounting for these commodity and foreign currency derivatives on Loblaw's reported results, the derivatives have the economic impact of largely mitigating the associated risks arising from price and exchange rate fluctuations in the underlying commodities and U.S. dollar commitments.

Management's Discussion and Analysis

Fair value adjustment on investment properties The Company measures investment properties at fair value. Under the fair value model, investment properties are initially measured at cost and subsequently measured at fair value. Fair value is determined based on available market evidence. If market evidence is not readily available in less active markets, the Company uses alternative valuation methods such as discounted cash flow projections or recent transaction prices. Gains and losses on fair value are recognized in operating income in the period in which they are incurred. Gains and losses from disposal of investment properties are determined by comparing the fair value of disposal proceeds and the carrying amount and are recognized in operating income.

Fair value adjustment of investment in real estate securities Choice Properties received Allied Class B Units as part of the consideration for the Choice Properties disposition of six office assets to Allied in 2022. Choice Properties recognized these units as investments in real estate securities. The investment in real estate securities is exposed to market price fluctuations of Allied trust units. An increase (decrease) in the market price of Allied trust units results in income (a charge) to operating income.

Gain on sale of non-operating properties In the second quarter of 2025, Loblaw recorded a gain related to the sale of a non-operating property to a third party of \$1 million (2024 – nil). Year-to-date, Loblaw recorded a gain related to the sale of non-operating properties of \$15 million (2024 – nil).

Sale of Wellwise In the fourth quarter of 2024, Loblaw entered into an agreement with a third party to sell all of the shares of its *Wellwise* business, including 42 *Wellwise* locations, for cash proceeds and recorded a net fair value write-down of \$23 million in SG&A. The transaction closed in the first quarter of 2025 and Loblaw recorded a gain of \$5 million in SG&A.

Charges related to settlement of class action lawsuits On July 24, 2024, the Company and Loblaw entered into binding Minutes of Settlement and on January 31, 2025, the Company and Loblaw entered into a Settlement Agreement to resolve nationwide class action lawsuits against them relating to their role in an industry-wide price-fixing arrangement involving certain packaged bread products. In the second quarter of 2024, the Company and Loblaw recorded charges of \$256 million and \$164 million, respectively, in SG&A, relating to the settlement and related costs. The Settlement Agreement was approved by the Ontario Superior Court of Justice in May 2025 and if approved by the court in Quebec, it will resolve all of the consumers' claims against the Company and Loblaw relating to this matter.

Transaction costs and other related recoveries In the second quarter of 2024, Choice Properties recorded a reversal of a transaction related provision for \$39 million that was determined to be no longer required.

ADJUSTED NET INTEREST EXPENSE AND OTHER FINANCING CHARGES The Company believes adjusted net interest expense and other financing charges is useful in assessing the ongoing net financing costs of the Company.

The following table reconciles adjusted net interest expense and other financing charges to GAAP net interest expense and other financing charges reported for the periods ended as indicated.

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Net interest expense (income) and other financing charges	\$ 490	\$ (3)	\$ 934	\$ 212
(Deduct) add impact of the following:				
Fair value adjustment of the Trust Unit liability	(188)	274	(351)	333
Adjusted net interest expense and other financing charges	\$ 302	\$ 271	\$ 583	\$ 545

The following item impacted adjusted net interest expense and other financing charges in 2025 and 2024:

Fair value adjustment of the Trust Unit liability The Company is exposed to market price fluctuations as a result of the Choice Properties Trust Units held by Unitholders other than the Company. These Trust Units are presented as a liability on the Company's consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Trust Units at the end of each period. An increase (decrease) in the market price of Trust Units results in a charge (income) to net interest expense and other financing charges.

Management's Discussion and Analysis

ADJUSTED INCOME TAXES AND ADJUSTED EFFECTIVE TAX RATE The Company believes the adjusted effective tax rate applicable to adjusted earnings before taxes is useful in assessing the underlying operating performance of its business.

The following table reconciles the effective tax rate applicable to adjusted earnings before taxes to the GAAP effective tax rate applicable to earnings before taxes as reported for the periods ended as indicated.

(\$ millions except where otherwise indicated)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Adjusted operating income ⁽ⁱ⁾	\$ 1,414	\$ 1,323	\$ 2,593	\$ 2,447
Adjusted net interest expense and other financing charges ⁽ⁱ⁾	302	271	583	545
Adjusted earnings before taxes	\$ 1,112	\$ 1,052	\$ 2,010	\$ 1,902
Income taxes	\$ 302	\$ 131	\$ 585	\$ 395
Add (deduct) impact of the following:				
Tax impact of items excluded from adjusted earnings before taxes ⁽ⁱⁱ⁾	—	142	28	175
Outside basis difference in certain Loblaw shares	16	20	(35)	(32)
Adjusted income taxes	\$ 318	\$ 293	\$ 578	\$ 538
Effective tax rate applicable to earnings before taxes	31.8%	16.4%	37.0%	25.4%
Adjusted effective tax rate applicable to adjusted earnings before taxes	28.6%	27.9%	28.8%	28.3%

(i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges above.

(ii) See the adjusted EBITDA table and the adjusted net interest expense and other financing charges table above for a complete list of items excluded from adjusted earnings before taxes.

In addition to certain items described in the "Adjusted EBITDA" and "Adjusted Net Interest Expense and Other Financing Charges" sections above, the following item impacted adjusted income taxes and the adjusted effective tax rate in 2025 and 2024:

Outside basis difference in certain Loblaw shares The Company recorded a deferred tax recovery of \$16 million in the second quarter of 2025 (2024 – \$20 million) and a deferred tax expense of \$35 million year-to-date (2024 – \$32 million) on temporary differences in respect of GWL's investment in certain Loblaw shares that are expected to reverse in the foreseeable future as a result of GWL's participation in Loblaw's NCIB.

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS AND ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE The Company believes that adjusted net earnings available to common shareholders and adjusted diluted net earnings per common share are useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

The following table reconciles adjusted net earnings available to common shareholders of the Company and adjusted net earnings attributable to shareholders of the Company to net earnings attributable to shareholders of the Company and then to net earnings available to common shareholders of the Company reported for the periods ended as indicated.

(\$ millions except where otherwise indicated)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Net earnings attributable to shareholders of the Company	\$ 268	\$ 410	\$ 361	\$ 656
Less: Prescribed dividends on preferred shares in share capital	(10)	(10)	(20)	(20)
Net earnings available to common shareholders of the Company	\$ 258	\$ 400	\$ 341	\$ 636
Less: Reduction in net earnings due to dilution at Loblaw	(4)	(3)	(6)	(5)
Net earnings available to common shareholders for diluted earnings per share	\$ 254	\$ 397	\$ 335	\$ 631
Net earnings attributable to shareholders of the Company	\$ 268	\$ 410	\$ 361	\$ 656
Adjusting items (refer to the following tables)	143	(6)	399	70
Adjusted net earnings attributable to shareholders of the Company	\$ 411	\$ 404	\$ 760	\$ 726
Less: Prescribed dividends on preferred shares in share capital	(10)	(10)	(20)	(20)
Adjusted net earnings available to common shareholders of the Company	\$ 401	\$ 394	\$ 740	\$ 706
Less: Reduction in net earnings due to dilution at Loblaw	(4)	(3)	(6)	(5)
Adjusted net earnings available to common shareholders for diluted earnings per share	\$ 397	\$ 391	\$ 734	\$ 701
Diluted weighted average common shares outstanding (in millions)	129.6	133.6	129.9	134.2

The following table reconciles adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share to GAAP net earnings available to common shareholders of the Company and diluted net earnings per common share as reported for the periods ended as indicated.

Management's Discussion and Analysis

12 Weeks Ended

	Jun. 14, 2025						Jun. 15, 2024					
	Net Earnings (Loss) Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share (\$)	Net Earnings Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share (\$)
(\$ millions except where otherwise indicated)	Loblaw ⁽ⁱ⁾	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated	Loblaw ⁽ⁱ⁾	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated
As reported	\$ 377	\$ (154)	\$ 61	\$ (26)	\$ 258	\$ 1.96	\$ 241	\$ 514	\$ (154)	\$ (201)	\$ 400	\$ 2.97
Add (deduct) impact of the following ⁽ⁱⁱ⁾ :												
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 2	\$ —	\$ —	\$ —	\$ 2	\$ 0.02	\$ 43	\$ —	\$ —	\$ —	\$ 43	\$ 0.33
Fair value adjustment of derivatives	2	—	—	—	2	0.01	2	—	—	—	2	0.01
Fair value adjustment on investment properties	—	(90)	65	—	(25)	(0.20)	—	(26)	30	—	4	0.03
Fair value adjustment of investment in real estate securities	—	(9)	1	—	(8)	(0.06)	—	28	(3)	—	25	0.19
Charges related to settlement of class action lawsuits	—	—	—	—	—	—	64	—	—	189	253	1.89
Transaction costs and other related recoveries	—	—	—	—	—	—	—	(39)	—	—	(39)	(0.29)
Fair value adjustment of the Trust Unit liability	—	—	188	—	188	1.45	—	—	(274)	—	(274)	(2.05)
Outside basis difference in certain Loblaw shares	—	—	—	(16)	(16)	(0.12)	—	—	—	(20)	(20)	(0.15)
Fair value adjustment on Choice Properties' Exchangeable Units	—	365	(365)	—	—	—	—	(372)	372	—	—	—
Adjusting items	\$ 4	\$ 266	\$ (111)	\$ (16)	\$ 143	\$ 1.10	\$ 109	\$ (409)	\$ 125	\$ 169	\$ (6)	\$ (0.04)
Adjusted	\$ 381	\$ 112	\$ (50)	\$ (42)	\$ 401	\$ 3.06	\$ 350	\$ 105	\$ (29)	\$ (32)	\$ 394	\$ 2.93

(i) Contribution from Loblaw, net of non-controlling interests.

(ii) Net of income taxes and non-controlling interests, as applicable.

24 Weeks Ended

	Jun. 14, 2025						Jun. 15, 2024					
	Net Earnings (Loss) Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share (\$)	Net Earnings Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share (\$)
(\$ millions except where otherwise indicated)	Loblaw ⁽ⁱ⁾	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated	Loblaw ⁽ⁱ⁾	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated
As reported	\$ 642	\$ (250)	\$ 64	\$ (115)	\$ 341	\$ 2.58	\$ 484	\$ 656	\$ (218)	\$ (286)	\$ 636	\$ 4.70
Add (deduct) impact of the following ⁽ⁱⁱ⁾ :												
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 48	\$ —	\$ —	\$ —	\$ 48	\$ 0.37	\$ 88	\$ —	\$ —	\$ —	\$ 88	\$ 0.65
Fair value adjustment of derivatives	1	—	—	—	1	0.01	(2)	—	—	—	(2)	(0.01)
Fair value adjustment on investment properties	—	(131)	105	—	(26)	(0.20)	—	(22)	40	—	18	0.13
Fair value adjustment of investment in real estate securities	—	—	—	—	—	—	—	58	(5)	—	53	0.39
Gain on sale of non-operating properties	(7)	—	—	—	(7)	(0.06)	—	—	—	—	—	—
Sale of <i>Wellwise</i>	(3)	—	—	—	(3)	(0.02)	—	—	—	—	—	—
Charges related to settlement of class action lawsuits	—	—	—	—	—	—	64	—	—	189	253	1.89
Transaction costs and other related recoveries	—	—	—	—	—	—	—	(39)	—	—	(39)	(0.29)
Fair value adjustment of the Trust Unit liability	—	—	351	—	351	2.70	—	—	(333)	—	(333)	(2.48)
Outside basis difference in certain Loblaw shares	—	—	—	35	35	0.27	—	—	—	32	32	0.24
Fair value adjustment on Choice Properties' Exchangeable Units	—	602	(602)	—	—	—	—	(439)	439	—	—	—
Adjusting items	\$ 39	\$ 471	\$ (146)	\$ 35	\$ 399	\$ 3.07	\$ 150	\$ (442)	\$ 141	\$ 221	\$ 70	\$ 0.52
Adjusted	\$ 681	\$ 221	\$ (82)	\$ (80)	\$ 740	\$ 5.65	\$ 634	\$ 214	\$ (77)	\$ (65)	\$ 706	\$ 5.22

(i) Contribution from Loblaw, net of non-controlling interests.

(ii) Net of income taxes and non-controlling interests, as applicable.

Management's Discussion and Analysis

EFFECT OF CONSOLIDATION The Company believes that a breakdown of the effect of consolidation is useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

The following table provides a breakdown of the effect of consolidation for certain key performance metrics.

(\$ millions)	12 Weeks Ended									
	Jun. 14, 2025					Jun. 15, 2024				
	Revenue	Operating Income	Adjusted EBITDA ⁽ⁱ⁾	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders ⁽ⁱ⁾	Revenue	Operating Income	Adjusted EBITDA ⁽ⁱ⁾	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders ⁽ⁱ⁾
Elimination of intercompany rental revenue	\$ (202)	\$ (9)	\$ (9)	\$ —	\$ (7)	\$ (195)	\$ (13)	\$ (13)	\$ —	\$ (11)
Elimination of internal lease arrangements	2	3	(94)	(31)	25	3	(30)	(125)	(30)	1
Elimination of intersegment real estate transactions	—	(54)	(54)	—	(47)	—	(2)	(2)	—	(2)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	—	(13)	—	—	(12)	—	(12)	—	—	(12)
Fair value adjustment on investment properties	—	(63)	—	—	—	—	(25)	—	3	—
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	—	—	—	(76)	76	—	—	—	(75)	75
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	—	—	—	53	(53)	—	—	—	52	(52)
Fair value adjustment on Choice Properties' Exchangeable Units	—	—	—	(365)	—	—	—	—	372	—
Fair value adjustment of the Trust Unit liability	—	—	—	188	—	—	—	—	(274)	—
Tax expense on Choice Properties related earnings	—	—	—	—	(32)	—	—	—	—	(28)
Total	\$ (200)	\$ (136)	\$ (157)	\$ (231)	\$ (50)	\$ (192)	\$ (82)	\$ (140)	\$ 48	\$ (29)

(i) See reconciliation of adjusted EBITDA and adjusted net earnings available to common shareholders of the Company above.

24 Weeks Ended

(\$ millions)	Jun. 14, 2025					Jun. 15, 2024				
	Revenue	Operating Income	Adjusted EBITDA ⁽ⁱ⁾	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders ⁽ⁱ⁾	Revenue	Operating Income	Adjusted EBITDA ⁽ⁱ⁾	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders ⁽ⁱ⁾
Elimination of intercompany rental revenue	\$ (403)	\$ (16)	\$ (16)	\$ —	\$ (13)	\$ (393)	\$ (27)	\$ (27)	\$ —	\$ (23)
Elimination of internal lease arrangements	6	(16)	(210)	(63)	35	6	(44)	(233)	(58)	11
Elimination of intersegment real estate transactions	—	(69)	(69)	—	(62)	—	(32)	(32)	—	(28)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	—	(30)	—	—	(29)	—	(27)	—	—	(27)
Fair value adjustment on investment properties	—	(100)	—	1	—	—	(38)	—	2	—
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	—	—	—	(152)	152	—	—	—	(150)	150
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	—	—	—	106	(106)	—	—	—	105	(105)
Fair value adjustment on Choice Properties' Exchangeable Units	—	—	—	(602)	—	—	—	—	439	—
Fair value adjustment of the Trust Unit liability	—	—	—	351	—	—	—	—	(333)	—
Tax expense on Choice Properties related earnings	—	—	—	—	(59)	—	—	—	—	(55)
Total	\$ (397)	\$ (231)	\$ (295)	\$ (359)	\$ (82)	\$ (387)	\$ (168)	\$ (292)	\$ 5	\$ (77)

(i) See reconciliation of adjusted EBITDA and adjusted net earnings available to common shareholders of the Company above.

FREE CASH FLOW The Company believes free cash flow is useful in assessing the Company's cash available for additional financing and investing activities.

The following table reconciles free cash flow to GAAP measures reported for the periods ended as indicated.

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Cash flows from operating activities	\$ 1,395	\$ 1,406	\$ 2,106	\$ 2,260
Less: Capital investments ⁽ⁱ⁾	597	517	875	946
Interest paid	209	205	465	450
Lease payments, net	237	227	473	447
Free cash flow	\$ 352	\$ 457	\$ 293	\$ 417

(i) Capital investments are the sum of fixed asset and investment properties purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period.

Management's Discussion and Analysis

ROLLING YEAR ADJUSTED RETURN ON AVERAGE EQUITY ATTRIBUTABLE TO COMMON SHAREHOLDERS OF THE COMPANY AND ROLLING YEAR ADJUSTED RETURN ON CAPITAL The Company uses the following metrics to measure its leverage and profitability. The definitions of these ratios are presented below.

Rolling Year Adjusted Return on Average Equity Attributable to Common Shareholders of the Company Adjusted net earnings available to common shareholders of the Company for the last four quarters divided by average total equity attributable to common shareholders of the Company. Refer to Section 3.4, "Financial Condition", of this MD&A.

Rolling Year Adjusted Return on Capital Tax-effected adjusted operating income for the last four quarters divided by average capital where capital is defined as total debt, plus equity attributable to shareholders of the Company, less cash and cash equivalents, and short-term investments. Refer to Section 3.4, "Financial Condition", of this MD&A.

CHOICE PROPERTIES' FUNDS FROM OPERATIONS Choice Properties considers Funds from Operations to be a useful measure of operating performance as it adjusts for items included in net income that do not arise from operating activities or do not necessarily provide an accurate depiction of its performance.

Funds from Operations is calculated in accordance with the Real Property Association of Canada's Funds from Operations & Adjusted Funds from Operations for IFRS Accounting Standards issued in January 2022.

The following table reconciles Choice Properties' Funds from Operations to net income for the periods ended as indicated.

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Net (loss) income	\$ (154)	\$ 514	\$ (250)	\$ 656
Add (deduct) impact of the following:				
Amortization of intangible assets	—	1	—	1
Transaction costs and other related recoveries	—	(39)	—	(39)
Adjustment to fair value of unit-based compensation	1	(1)	1	(2)
Fair value adjustment on Exchangeable Units	365	(372)	602	(439)
Fair value adjustment on investment properties	(93)	(28)	(123)	(27)
Fair value adjustment on investment properties to proportionate share	2	2	(8)	5
Fair value adjustment of investment in real estate securities	(9)	28	—	58
Capitalized interest on equity accounted joint ventures	2	3	5	5
Unit distributions on Exchangeable Units	76	75	152	150
Internal expenses for leasing	2	2	4	4
Funds from Operations	\$ 192	\$ 185	\$ 383	\$ 372

8.1 Non-GAAP and Other Financial Measures - Selected Comparative Reconciliation

ADJUSTED EBITDA The following table reconciles adjusted EBITDA to operating income, which is reconciled to GAAP net earnings (loss) attributable to shareholders of the Company reported for the periods ended as indicated.

(\$ millions)	Second Quarter		First Quarter		Fourth Quarter		Third Quarter	
	2025 (12 weeks)	2024 (12 weeks)	2025 (12 weeks)	2024 (12 weeks)	2024 (12 weeks)	2023 (12 weeks)	2024 (16 weeks)	2023 (16 weeks)
Net earnings (loss) attributable to shareholders of the Company	\$ 268	\$ 410	\$ 93	\$ 246	\$ 674	\$ (28)	\$ 29	\$ 624
Add (deduct) impact of the following:								
Non-controlling interests	\$ 380	\$ 257	\$ 257	\$ 246	\$ 223	\$ 275	\$ 411	\$ 320
Income taxes	\$ 302	\$ 131	\$ 283	\$ 264	\$ 210	\$ 169	\$ 303	\$ 202
Net interest expense (income) and other financing charges	\$ 490	\$ (3)	\$ 444	\$ 215	\$ (115)	\$ 660	\$ 875	\$ 85
Operating income	\$ 1,440	\$ 795	\$ 1,077	\$ 971	\$ 992	\$ 1,076	\$ 1,618	\$ 1,231
Add (deduct) impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 9	\$ 115	\$ 116	\$ 114	\$ 115	\$ 115	\$ 155	\$ 154
Fair value adjustment of derivatives	2	2	(1)	(7)	—	14	—	(6)
Fair value adjustment on investment properties	(27)	2	(3)	16	21	34	(34)	1
Fair value adjustment of investment in real estate securities	(9)	28	9	30	36	(27)	(58)	45
Gain on sale of non-operating properties	(1)	—	(14)	—	(3)	(1)	—	(15)
Sale of <i>Wellwise</i>	—	—	(5)	—	23	—	—	—
Charges related to settlement of class action lawsuits	—	420	—	—	—	—	—	—
Transaction costs and other related recoveries	—	(39)	—	—	—	—	—	—
<i>PC Optimum</i> loyalty program	—	—	—	—	129	—	—	—
Fair value adjustment on non-operating properties	—	—	—	—	3	9	—	—
Recoveries related to PC Bank commodity tax matters	—	—	—	—	—	(13)	(155)	—
Adjusting items	\$ (26)	\$ 528	\$ 102	\$ 153	\$ 324	\$ 131	\$ (92)	\$ 179
Adjusted operating income	\$ 1,414	\$ 1,323	\$ 1,179	\$ 1,124	\$ 1,316	\$ 1,207	\$ 1,526	\$ 1,410
Depreciation and amortization excluding the impact of the above adjustment ⁽ⁱ⁾	\$ 509	\$ 483	\$ 511	\$ 499	\$ 498	\$ 487	\$ 632	\$ 609
Adjusted EBITDA	\$ 1,923	\$ 1,806	\$ 1,690	\$ 1,623	\$ 1,814	\$ 1,694	\$ 2,158	\$ 2,019

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

Management's Discussion and Analysis

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS AND ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE The following tables reconcile adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share to GAAP net earnings (loss) available to common shareholders of the Company and diluted net earnings (loss) per common share as reported for the periods ended as indicated.

(\$ millions)	Second Quarter		First Quarter		Fourth Quarter		Third Quarter	
	2025 (12 weeks)	2024 (12 weeks)	2025 (12 weeks)	2024 (12 weeks)	2024 (12 weeks)	2023 (12 weeks)	2024 (16 weeks)	2023 (16 weeks)
As reported	\$ 258	\$ 400	\$ 83	\$ 236	\$ 664	\$ (38)	\$ 15	\$ 610
Add (deduct) impact of the following ⁽ⁱ⁾ :								
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 2	\$ 43	\$ 46	\$ 45	\$ 44	\$ 45	\$ 62	\$ 60
Fair value adjustment of derivatives	2	2	(1)	(4)	—	5	—	(2)
Fair value adjustment on investment properties	(25)	4	(1)	14	17	(7)	(32)	1
Fair value adjustment of investment in real estate securities	(8)	25	8	28	33	(25)	(53)	42
Gain on sale of non-operating properties	—	—	(7)	—	(2)	(1)	—	(8)
Sale of <i>Wellwise</i>	—	—	(3)	—	15	—	—	—
Charges related to settlement of class action lawsuits	—	253	—	—	—	—	—	—
Transaction costs and other related recoveries	—	(39)	—	—	—	—	—	—
Fair value adjustment of the Trust Unit liability	188	(274)	163	(59)	(399)	382	568	(219)
Outside basis difference in certain Loblaw shares	(16)	(20)	51	52	(8)	(16)	(18)	(18)
<i>PC Optimum</i> loyalty program	—	—	—	—	49	—	—	—
Fair value adjustment on non-operating properties	—	—	—	—	2	3	—	—
Recoveries related to PC Bank commodity tax matters	—	—	—	—	—	(6)	(66)	—
Adjusting items	\$ 143	\$ (6)	\$ 256	\$ 76	\$ (249)	\$ 380	\$ 461	\$ (144)
Adjusted	\$ 401	\$ 394	\$ 339	\$ 312	\$ 415	\$ 342	\$ 476	\$ 466

(i) Net of income taxes and non-controlling interests, as applicable.

(\$ except where otherwise indicated)	Second Quarter		First Quarter		Fourth Quarter		Third Quarter	
	2025 (12 weeks)	2024 (12 weeks)	2025 (12 weeks)	2024 (12 weeks)	2024 (12 weeks)	2023 (12 weeks)	2024 (16 weeks)	2023 (16 weeks)
As reported	\$ 1.96	\$ 2.97	\$ 0.62	\$ 1.73	\$ 5.05	\$ (0.30)	\$ 0.08	\$ 4.41
Add (deduct) impact of the following ⁽ⁱ⁾ :								
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 0.02	\$ 0.33	\$ 0.35	\$ 0.34	\$ 0.34	\$ 0.33	\$ 0.47	\$ 0.43
Fair value adjustment of derivatives	0.01	0.01	(0.01)	(0.03)	—	0.04	—	(0.01)
Fair value adjustment on investment properties	(0.20)	0.03	(0.01)	0.10	0.13	(0.05)	(0.24)	0.01
Fair value adjustment of investment in real estate securities	(0.06)	0.19	0.06	0.21	0.25	(0.19)	(0.40)	0.30
Gain on sale of non-operating properties	—	—	(0.05)	—	(0.02)	(0.01)	—	(0.05)
Sale of <i>Wellwise</i>	—	—	(0.02)	—	0.11	—	—	—
Charges related to settlement of class action lawsuits	—	1.89	—	—	—	—	—	—
Transaction costs and other related recoveries	—	(0.29)	—	—	—	—	—	—
Fair value adjustment of the Trust Unit liability	1.45	(2.05)	1.25	(0.44)	(3.04)	2.83	4.30	(1.60)
Outside basis difference in certain Loblaw shares	(0.12)	(0.15)	0.39	0.39	(0.06)	(0.12)	(0.14)	(0.13)
<i>PC Optimum</i> loyalty program	—	—	—	—	0.37	—	—	—
Fair value adjustment on non-operating properties	—	—	—	—	0.02	0.02	—	—
Recoveries related to PC Bank commodity tax matters	—	—	—	—	—	(0.04)	(0.50)	—
Adjusting items	\$ 1.10	\$ (0.04)	\$ 1.96	\$ 0.57	\$ (1.90)	\$ 2.81	\$ 3.49	\$ (1.05)
Adjusted	\$ 3.06	\$ 2.93	\$ 2.58	\$ 2.30	\$ 3.15	\$ 2.51	\$ 3.57	\$ 3.36
Diluted weighted average common shares outstanding (in millions)	129.6	133.6	130.4	134.9	131.0	134.8	132.1	137.3

(i) Net of income taxes and non-controlling interests, as applicable.

9. Forward-Looking Statements

The Quarterly Report, including the MD&A, contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this Quarterly Report include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives and restructuring, regulatory changes including further healthcare reform, future liquidity, planned capital investments, and the status and impact of IT systems implementations. These specific forward-looking statements are contained throughout this Quarterly Report including, without limitation, in Section 3, "Liquidity and Capital Resources", Section 7, "Outlook", and Section 8, "Non-GAAP and Other Financial Measures", of this MD&A. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 8, "Enterprise Risks and Risk Management" of the Company's 2024 Annual Report and the Company's AIF for the year ended December 31, 2024. Such risks and uncertainties include:

- changes in economic conditions, including inflation, impact of tariffs, price increases from suppliers, levels of employment, costs of borrowing, household debt, political uncertainty and government regulation, the impact of natural disasters, war or acts of terrorism, pandemics, changes in interest rates, tax rates, or exchange rates, and access to consumer credit;
- inability of the Company's IT infrastructure to support the requirements of the Company's business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches;
- failure to realize benefits from investments in the Company's new IT systems and related processes, including automation;
- inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory or control shrink;
- changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- failure to maintain an effective supply chain and consequently an appropriate assortment of available product at the store and digital retail level;
- failure to realize the anticipated benefits associated with the Company's strategic priorities and major initiatives, including revenue growth, anticipated cost savings and operating efficiencies, or organizational changes that may impact the relationships with franchisees and pharmacist owners of corporations licensed to operate retail drug stores at specific locations using Loblaw's trademarks ("Associates");
- failure by Choice Properties to realize the anticipated benefits associated with its strategic priorities and major initiatives, including failure to develop quality assets and effectively manage development, redevelopment, and renovation initiatives and the timelines and costs related to such initiatives;
- failure to execute the Company's e-commerce initiatives or to adapt its business model to shifts in the retail landscape caused by digital advances;
- changes to any of the laws, rules, regulations or policies applicable to the Company's business;
- failure to attract and retain colleagues may impact the Company's ability to effectively operate and achieve financial performance goals;
- failure by Choice Properties to effectively and efficiently manage its property and leasing management processes;
- failure to effectively respond to consumer trends or heightened competition, whether from current competitors or new entrants to the marketplace;
- public health events including those related to food and drug safety;
- errors made through medication dispensing or errors related to patient services or consultation;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements;
- failure to adapt to environmental and social risks, including failure to execute against the Company's climate change and social equity initiatives;
- adverse outcomes of legal and regulatory proceedings and related matters;
- reliance on the performance and retention of third party service providers, including those associated with the Company's supply chain and apparel business and located in both advanced and developing markets; and
- the inability of the Company to effectively develop and execute its strategy.

Management's Discussion and Analysis

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including, without limitation, the section entitled "Operating and Financial Risks and Risk Management" in the Company's AIF for the year ended December 31, 2024. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

10. Additional Information

Additional information about the Company has been filed electronically with various securities regulators in Canada through SEDAR+ and is available at www.sedarplus.ca.

This Quarterly Report includes selected information on Loblaw, a public company with shares trading on the Toronto Stock Exchange ("TSX"), and selected information on Choice Properties, a public real estate investment trust with units trading on the TSX. For information regarding Loblaw or Choice Properties, readers should also refer to the respective materials filed on SEDAR+ from time to time. These filings are also maintained on the respective companies' corporate websites at www.loblaw.ca and www.choicereit.ca.

Toronto, Canada

July 28, 2025

Footnote Legend

- (1) Refer to Section 8, "Non-GAAP and Other Financial Measures", of the Company's 2025 Second Quarter Management's Discussion and Analysis.
 - (2) To be read in conjunction with Section 9, "Forward-Looking Statements", of the Company's 2025 Second Quarter Management's Discussion and Analysis.
-